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BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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## Part I: Co-operation and Association

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### DENMARK.

#### CO-OPERATIVE DAIRIES IN DENMARK.

(This Article has been prepared at our request by the Danish Bureau  
or the International Institute of Agriculture).

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## § I. HISTORICAL SUMMARY.

During the last 25 years of the last century the competition of America was very much felt on the European market, and Denmark, an essentially agricultural country, was one of those to suffer most severely. Then, as now, Danish farmers were forced, in view of the relatively insignificance of the national market, to endeavour to find a sale abroad for a large part of their produce, and thus to depend to a considerable degree on the prices on the international market. Up to that time, the cultivation of cereals had formed the basis of Danish agriculture, for the high price of the produce, had made it especially remunerative, and then the new methods of farming, marling, and technical improvements had increased the yield of the soil, without it, however, being necessary to manure it more abundantly. It is true people began to see that they must not deceive themselves in regard to the possible duration of such intensive farming; that the exclusive cultivation of grain must be abandoned and that livestock improvement deserved greater attention; but between 1870 and 1880 the most prominent farmers still considered the sale of grain as the principal source of their revenue and livestock improvement only as an auxiliary industry, necessary in order to obtain the manure indispensable for the soil. But American competition began to be felt precisely on the grain market, causing a considerable and lasting fall in price, whilst animal produce was still sold at almost the same figure as before. The following table clearly shows the fluctuations in prices.

*Average Prices shown by the "Kapitellaxst" (1)  
for each ten years' period between 1860 and 1910.*

	Grain				Animal Produce	
	Rye	Barley	Oats	Wheat	Butter	Pork
1860-70	12.83	10.06	6.72	17.44	0.65	0.45
1870-80	13.77	12.18	8.05	18.98	0.84	0.55
1880-90	11.87	10.06	7.20	13.74	0.90	0.50
1890-1900	10.52	9.36	7.02	11.52	0.95	0.40
1900-1910	10.77	10.28	7.36	12.38	0.99	0.55

These reduced prices necessarily led to a change in the class of production. It was not possible in Denmark, as it has been in various other countries, to protect the national grain production artificially by means of prohibitive customs dues, for the country exported grain in excess. Dairying and livestock improvement had henceforth to be the basis of agriculture; but it was necessary for the purpose completely to reorganize agriculture. A change of this nature was in some sort facilitated by the fact that the

(1) Figures shown in the "Kapitellaxst", that is to say the official Registers, as the average for the Kingdom.

Supply of livestock had been gradually increased, as the consequences of an exclusive and exhausting cultivation of grain were perceived; but, on the other hand, agriculture was threatened with a crisis, the whole bearing of which it was not easy to appreciate, for the large land owners could indeed reorganize their farms with comparative ease (they had already a large supply of livestock, and comparatively perfect dairies, which allowed of their receiving good prices for their butter), but it was quite otherwise in the case of the small and medium sized farms, which preponderate in Denmark. On these farms, independent dairying as carried on by the large farmers, and up to now also on properly managed farms, could never have been remunerative. On the one hand, the equipment and working would have been too costly in proportion to the production of milk; on the other, the butter could not have been sold under suitable conditions, unless large quantities of uniform quality could be continually supplied. The butter had to be sold to local purchasers, who had to sort it, manipulate it and pack it for export. Under such conditions it was not to be expected that it could reach the foreign consumer sufficiently fresh, without taking into account that all this passing through different hands, while itself expensive, must reduce the producer's price. Generally, also, the dairying was not carried on scientifically on the small farms and the butter the peasants applied was extremely inferior in quality and its sale on the English market almost impossible. In this way, Danish butter generally lost the reputation it had had, so that even excellent well made butter from the large landed gentry's farms, had to go abroad under borrowed names, as "*Kickerdæler*" (Kiel butter). The ordinary price of the peasants' butter in the country itself was from 40 to 60 øre per kg. less than that of good butter from gentlemen's farms, and the price of the peasants' butter was always lower, even if it happened to be as good as the other.

Whilst the low price of grain inevitably drove them to the dairy industry, the owners of small and average farms found themselves obliged to reorganize their dairies completely, so as to raise the quality and price of peasants' butter to the level of the quality and price of that of the gentry. This was the fundamental condition for the desired transformation and necessarily implied the adoption of dairying on a large scale. That had not been possible as yet, and the small farmers had not been able to profit like the large landed gentry by the new conquests made in practical science by professors Th. R. SÆDELCKE and N. G. FJORD of the Higher Agricultural and Veterinary School. It was due to the work of these professors that the butter of the landed gentlemen's estates became equal in quality to that of Holland, considered up to then as the model, and that its value was recognised abroad. This persistent activity provided a solid basis for the introduction of dairying on a large scale, which was also favoured on the technical side by the invention of the centrifugal cream separator (1). It thus became possible to

[1] A continuous working automatic centrifugal cream separator was first constructed by the Danish mechanician, L. C. WIELSEN, and in the course of subsequent years it was so far improved that it is still today in use.

treat large quantities of milk rapidly and properly, and to make good butter for export, whilst at the same time the milk yielded 10 % more butter than by the former methods.

Towards 1880, a large number of dairies worked in common, called *Fællesmejerier* were founded; consortiums, or private individuals equipped dairies for their own account, and bought and collected the milk of the farmers of the neighbourhood. These dairies, however, as a rule, lasted only a short time. For want of capital, the equipment was often at first insufficient and the work could only proceed by means of large loans at too high interest. Any possibility of returns from these private undertakings was prevented by the intense competition and the very imperfect means of communication available, which implied too high cost of transport. It was besides difficult to induce the suppliers who were not directly interested in the yield of the dairy to give all the necessary attention to the manipulation of the milk and above all to provide milk that could give butter of good quality. The owners of dairies, who, above all in view of the serious competition between them, were dependent on their suppliers, could not guarantee themselves against loss through too thin or actually adulterated milk, as they did not yet base the price on the quantity of butter fat in the milk. It was, finally, difficult to find suitable utilisation for the separated milk and whey, which had to be used for making cheese or as food for pigs. Cheesemaking became soon, owing to excessive production, unremunerative; then the whey, available in large and increasing quantity should have been utilised for feeding pigs, but the stock of these animals would have had to be increased to such an extent, and the expense of equipment and of purchase of grain and other supplementary cattle foods would have been so great that the finances of the dairy would not have been sufficient.

It was soon seen, for the above reasons, that this manner of collective dairy farming could not succeed or, in any case, not as quickly as the situation demanded. Association among the farmers could alone attain the end contemplated. The first co-operative dairy was founded in 1882 and the extreme rapidity with which the example was followed in every part of the country showed clearly enough that the right course had been at last adopted. Ten years later there were no less than 800 co-operative dairies and many districts had already the maximum number their dairy produce would allow. The good example could not have been followed more promptly.

The co-operative dairies escaped the difficulties that had impeded the progress of the dairies worked in common. The members having a joint interest in the dairies, and being consequently jointly and severally liable, it was always possible to obtain the capital in the proportion necessary at reasonable interest. The separated milk and whey, the utilisation of which had been a difficulty for the dairies worked in common, were returned to the producers, who were thus enabled to use them on their own farms for feeding calves or pigs. It was besides of the greatest importance that the producers of milk should be immediately interested, through their co-operative dairies, in the making of the butter. Each producer had thus a positive

terest in supplying the purest and best manipulated milk possible, and also every interest that his neighbours and those jointly interested in him should not be able to reproach him with having supplied bad quality milk. These circumstances necessarily assured the victory of the co-operative system. It must further be recognised that if this system has attained such popularity and has been so successfully applied that it is difficult to find in these years a single case in which the work of the co-operative dairy has had to be abandoned, or has not given a profit, it is due rather than these purely economic reasons. The scientific work of the above mentioned professors must not be forgotten. Their work consisted above all in experiments carried out on an extensive scale in well managed dairies belonging to large farmers and in close co-operative relation with the agricultural organizations. Frequently farmers have placed their farms at the disposal of scientists for the purpose of experiment, receiving no compensation except for the expenses really incurred. This intimate co-operation of scientists and practical farmers led not only to practical and scientific results of the first importance, but also to the publication of these results, at the same time as it aroused and maintained among the people a lively sympathy for and a real interest in scientific dairying. Such being the situation, under the pressure of economic conditions, an example, —a successful effort, —sufficed to start the movement and assure the rapid progress of the new organization. The combination of theory and practice, which is a trait perhaps characteristic of Danish agriculture, has had an essential part in developing dairying, especially at the beginning of the work of the co-operative dairies. It was almost always the scientists who devoted themselves to the solution of the problems involved in the practical development of the dairies and prepared the way for their progress; but it was the practical men who intelligently applied their theories.

The schools of agriculture and the higher popular schools have not been of less importance; it is from them that a generation of young peasants has come forth, intelligent, skilful and well informed, who have been able to organize and manage the new co-operative societies, although the multifarious duties of the manager of a dairy differ so profoundly from the ordinary work of a farmer. The schools have also prepared a large number of dairy assistants who have become technical managers of dairies.

The rapid and assured progress of co-operative dairies has been much facilitated by the fact that the movement from the start took so reasonable and practical a course. The first of these societies could in all essentials be taken as a model for the rest, as regards both its co-operative and its technical organisation. Add to this, the thrift and economy that characterised the earliest undertaking. The buildings were small and unpretentious, the equipment as simple and limited as possible. Perhaps, it was found, later on, that there had been an excess of economy; but this parsimoniousness in any case prevented perilous reverses and at the same time permitted the societies, in proportion as the constantly larger number of adherents and the increasing supply of milk made it necessary to enlarge

the buildings, to introduce new and improved machinery and make other improvements without being hampered by the amount of capital invested in the original equipment. This was the more important, as precisely during these early years, great advances were made in the technical field.

Many reasons therefore contributed to the rapid progress of co-operative dairies. The details of this progress are not known to us. We possess no statistics for the early years. According to the industrial census of 1906, the 1,070 co-operative dairies then existing were distributed as follows, according to the date of their foundation.

Year of Foundation	Number of Co-operative Dairies	
	Total Amount	%
Before 1886 . . . . .	86	8
1886-90 . . . . .	628	58
1891-95 . . . . .	169	16
1896-1900 . . . . .	119	11
1901-95 . . . . .	68	7
Total . . . . .	1,070	100

Thus most of the co-operative dairies were founded between 1886 and 1890. Since the latter date the number of new foundations has continually decreased, but a certain number of new societies have been formed by the division of those already existing; at the same time the dairies worked in common and those on gentlemen's estates have continually decreased in number and have lost their importance. We show below the number of dairies of each kind.

	Year 1900	Year 1906
Co-operative Dairies . . . . .	1,029	1,157
Dairies Worked in Common . . . . .	266	235
Dairies on Gentlemen's Estates . . . . .	264	90
Total . . . . .	1,559	1,485

At the same time, the proportion of farms with cows registered with the co-operative societies increased from 82.3 % to 97.1 % of the total number of farms, and the proportion of the number of their cows to those in the whole country increased from 80.9 % to 84.3 %, and this progress has doubtless continued during the years that have followed.

As we have seen, it is above all the small and medium sized farms that profit most by co-operative association and have been registered in largest number; and although the large farmers have also begun to join the co-operative societies in constantly increasing number, still the figures for 1906 show that they sometimes still hesitate. The following table gives an idea

the degree to which farms of different size had joined the co-operative dairies of the country in 1909; and by way of comparison we show the corresponding proportion for 1903.

Area of Farms	Farms		Cows		
	Number in 1909	Proportion Affiliated to Co-operative Dairies	Number in 1909	Proportion Registered with Co-operative Dairies in 1909	Percentage Corresponding for 1903
0.55 ha . . . . .	1,744	70.1	2,741	67.5	52.0
0.55-5 " : . . . .	54,001	84.9	130,068	86.3	82.8
5-15 " . . . . .	49,084	88.1	236,757	88.9	84.9
15-30 " . . . . .	35,694	90.0	319,154	90.8	88.4
30-60 " . . . . .	23,958	88.9	317,821	88.0	86.3
60-238 " . . . . .	6,863	82.8	156,983	73.9	72.2
bove 238 " . . . . .	575	49.0	63,264	38.8	37.1
Total . . . . .	171,949	87.1	1,226,788	84.3	81.3

This table shows that the proportion of owners of livestock affiliated to the co-operative societies goes on increasing, even in the case of large farmers, and certainly since 1909 this progress has not ceased. This shows in what degree the co-operative dairies have been able to raise the peasants' outer to an equality with that of the gentlemen; and is also proof of the absolute confidence of the large farmers in the strictly democratic management characteristic of the dairies, which is the more striking and characteristic when we consider that the large majority of the farms are small, as is shown also by the table. The peasants could not show in a more effective way how capable they are of playing the part of organizers and conducting the management of societies with wisdom and enlightenment, equitably and conscientiously.

In 1909 the total milk production of the country was reckoned at 3,400,000,000 kgs.; of which 2,620,000,000 kgs. (or about 77 %) were treated by the co-operative dairies. This percentage is slightly inferior to that shown for the cows on the farms, because no account has been taken of the milk consumed on the farms themselves. In 1909 the producers received for the milk consigned by them altogether 227,000,000 crs. The gross total of the business amounted to 250,000,000 crs. In 1913 it was estimated at 299,000,000 crs.

## § 2. INTERNAL ORGANIZATION OF THE CO-OPERATIVE DAIRIES AND THEIR CENTRAL ORGANISATIONS.

The dairies of all the country are characterised by great uniformity both as regards co-operation and administrative organization. The proportions may vary but the forms are almost identical. This uniformity has existed from the start, and it has gradually become more marked, being stimulated and encouraged by the strict co-operation that was soon established among the dairies in their several departments. The numbers of cows at the disposal of the societies varies from 200 to 2,000; but most usually from 800 to 1,200. According to the industrial census of 1906 the average quantity of whole milk received by a society was 2,100,000 kg. for an average number of about 880 cows. In recent years, large co-operative societies have often been subdivided to form smaller societies, though the latter have comparatively high working expenses, and can only with difficulty equip themselves in modern style. They are often obliged, for example, to employ ice safes instead of refrigerators. In an economic sense there is no justification for this subdivision, but the farmers want to have their milk returned to them as soon as possible, which is a quite legitimate desire, above all in the case of those who live at the greatest distances, who are subjected to the double inconvenience of having to deliver their milk earliest, and have it returned latest. At times a certain local patriotism manifests itself, and when business is good, the surplus expense is readily met. These subdivisions, however, have not been in proportion to the increase of the milk received by the societies, which is due to the increase in the number of cows and the increased production per cow.

A co-operative dairy is generally founded for a definite period of time varying from 10 to 15 years. During this period, the farmers engage to supply all the milk they produce, except what is consumed on their farms or sold retail to their neighbours. They recognise themselves also as jointly and severally liable for the engagements of the society, on the principle, "all for each and each for all", in proportion to the number of cows they each possess.

On this basis, the funds required are generally raised by means of a loan from a bank or savings bank, so that the members need pay no contribution. Interest and sinking fund is paid out of the profits of the business. The initial capital is generally from about 30 to 40 crs. per cow.

The members can only be relieved of their joint and several liability before the expiration of the term fixed for dissolution of the society, in case of death or the sale of their holdings, or by vote of the General Meeting. At the end of the period fixed, a new society may be formed for a new period, to include all the old members or only such as desire it. For the purchase of the dairy from the former members, a new loan is contracted, the

mount being distributed among the producers in proportion to the quantity of milk supplied by each, in the whole period of working. The period or which the members engage varies generally between 10 and 15 years, a recent times, however, there has been observable a strong disposition to reduce this period to 5 years.

The supreme authority in the business of the society is the General Meeting, which is, as a rule, only called once in six months. The rules often provide that the decisions of the General Meeting cannot be impugned in a court of law, a provision which has the force of law. The members have almost always the same voting rights, irrespective of the number of cows they possess. For this reason, the large landholders long hesitated before entering the co-operative societies; but now they feel no difficulty about entering, and independent dairies on gentlemen's estates are becoming, as we have said, rarer and rarer.

The Board of Management of the Society deals with the daily business, the bookkeeping, the cash, the administrative supervision etc.; it is generally appointed for two years, and is often rather numerous, for it is usual for each member of the Board to make the monthly payments to the members of his district; so it is natural that each clearly defined geographical district should desire to have a representative on the Board. The Board appoints the Technical Manager (*Mejeristen*) who is entrusted with the direction of the daily work of the dairy, and the keeping of the accounts. Formerly, all the rest of the staff were also as a rule appointed by the Board; but this was found inadvisable. The technical manager now receives a fixed amount with which he must provide himself with the assistance he requires; this system has proved the best possible.

The dairy undertakes the collection of the milk and its return to the producers. In this way the producers who live further away do not pay more for the carriage of the milk than those near at hand, which contributes greatly to the maintenance of good relations between the various members, and is assuredly also a reasonable system, for the situation of the dairy is often accidentally determined, and any subdivision of the society would in any case be contrary to the interest of those who live nearest.

As a rule, the dairy only supplies and keeps in good order vehicles suited for the transport of milk; tenders are invited for the contract for transport itself, for periods of one year or six months. In this way, the dairy has not to keep horses.

The vehicles generally make one journey a day, and only in certain localities two, keeping to a fixed itinerary, and the producers are bound to bring their milk early to the road, so that they may go on again without delay. Producers who do not live on the road followed by the vehicle generally receive a certain sum in compensation for every 1,000 kg. of milk they supply. However, the route is so arranged as to serve the large producers directly. The vehicles must reach the dairy in a fixed order, at hours established, so that the milk may be weighed and separated as rapidly as possible, without interruption and useless delay, and each,

as the work proceeds, must be ready to start again to return the separated milk and whey to the producers. When the profits are divided, it is a fundamental rule that the division shall be in proportion to the amount of milk supplied. At first this division was made after a very imperfect fashion, and in some places this continued for a long time; it was based only on weight and not on the amount of butter fat in the milk. This was a matter of specially great importance, above all for the numerous small producers owning few cows, in whose case the amount of butter fat in their milk might vary within very wide limits.

This was one of the first problems science had to deal with, and it was promptly solved, by the construction of an apparatus which allowed of the amount of cream in a large number of samples of milk being determined by means of a single observation. Most of the dairies then began to calculate the value of the whole milk supplied in accordance with the amount of cream or butter, on the basis of the current price of butter. This method, very good and reasonable in itself, which possesses the advantage of preventing any adulteration, has also a great merit which will only be greater in the future, as it draws attention to the advisability of only rearing cows which give rich milk, and of exercising quite special care in the selection of good bulls. This method has also inspired the constitution of "control" societies, which, in their turn, have favoured the change to the new system of distribution of profits. The latter system is in use in almost all the co-operative dairies, whilst most of the old dairies worked in common have remained faithful to the old system.

The calculation of the value of the milk is based on the regular control of the milk of the various producers, generally tested twice a week; however, the distribution is effected, according to various methods, more or less accurate and complete. The simplest process, which has fairly recently been introduced and has become widespread on account of its simplicity, is to multiply the weight in pounds of the milk by the percentage of cream ascertained, and distribute the price of the butter in direct proportion to the number of what it has been agreed to call "cream units" thus arrived at.

In this way, it is only necessary to divide the amount the whole milk has yielded in butter produced and milk sold; payment is made once a month. As regards the separated milk and whey the dairy does not sell and does not use for cheesemaking, but the producers are bound to take back, the value is ascertained quite differently. The milk is returned in proportion (up to a certain point) to the whole milk supplied, at a given price, which is very low, and which, while in some degree corresponding with its value as food for cattle, does not take special account of that, and is calculated so as amply to cover the working expenses of the dairy. Generally, the price is calculated so as to leave a large margin of profit. This is distributed annually or half yearly according to the same rules as govern the sale of the butter.

The separated milk and whey are paid for by means of deductions from the monthly contributions. Deductions are also made for butter and cheese

ught by the producers at the dairy, as well as for expenses the dairy has been put to for the account of the producers as, for example, the tinning of the cans used for carrying the milk. In dairies which also engage in the co-operative sale of cattle foods, a practice which may be regarded as generally diffused, there is a further provision that the department for co-operative sale of cattle foods may, if the producers of the society are debtors up to a certain amount for the purchase of cattle foods, keep back the whole or part of the price of the milk or the surplus profit.

The rules of the dairy provide that its members shall only supply pure and natural milk and never supply milk from sick cows or from those which have too lately calved. Often also the employment of certain kinds of cattle foods, known to have a deleterious effect on the quality of the milk, is forbidden. In several districts the milk supplied by each farmer is analysed at regular dates, for example, once a week or once a fortnight. The "Societies for the estimation of the value of milk" (*Milchbeurteilungs-nissen*) have shown great activity in extending this system. One or more local or itinerant experts are charged to give their estimate. The result is expressed, by means of a series of points, in certificates of three different classes. This result is communicated to the producers in the monthly statement of their accounts. This urges them to correct possible defects in their production, and to furnish milk of the best possible quality; and the effect obtained is the more certain as it is almost impossible to prevent the result of the judgment becoming known to the neighbours. It has been found that, where this system has been adopted, the quality of the milk has considerably improved, and this improvement disappears at once when the system is abandoned.

This system has still difficulties to overcome; it is not easy, for example, to prevent the judgment passed on the milk, more or less formally, from having the appearance of personal criticism and giving rise to ill-feeling; which in several localities has led to disagreeable consequences. It is easy for the technical manager of the dairy, in weighing the milk of the various producers to discover the grosser defects, such as an insufficient supply of cans, sometimes rusty cans, dirty or malodorous milk etc. His task has recently been considerably facilitated by the fact that the milk is now poured into special recipients in order to be weighed, whilst formerly it was weighed in the cans, the weight of which had afterwards to be deducted. When gross faults of the above kind have been discovered, the suppliers are at once informed, and invited to amend them without delay. Then, a communication of this character is made by letter, or by a note fastened on the can, when the separated milk is returned. Of course milk not suitable for the purpose is in no case accepted for the making of butter; in the most serious cases, or when remonstrances have been ineffectual, the Board of Management has the right to suspend the producer from membership of the society for a time or permanently to expel him; but generally a warning suffices to prevent the repetition of the offence for a long time, even in the case of the least conscientious producers.

Attempt has been made to introduce a principle by means of which a

certain price may be assigned to milk of a certain quality, but it has been possible to get it accepted. It is extremely difficult and often impossible to establish a fixed and permanent relation between the quality of the milk and its value for the production of butter. On the other hand in certain localities a whole system of fines has been introduced, by means of which producers supplying specially bad milk are paid reduced prices for a certain time, or until there is a real improvement.

As security for their various interests and common work, several leagues have been formed among the co-operative dairies. The co-operative movement in Denmark has produced a large number of these leagues, as the organization is founded on the principle of the division of labour, which aims at assigning as far as possible each special and definite function to a special association. In accordance with this principle, no single central organization is to be found in the field of dairy industry, but, in its place we see a whole series of organizations enjoying equal rights, closely associated, but at the same time completely independent of one another in their work.

The work effected by means of this close collaboration may be considered in its principal aspects more attentively on a future occasion. We shall now only summarise in a few words the principal duties of the Central Societies, showing their numbers and their importance and consider more in detail a special institution, to which we shall not have an opportunity of returning.

(1) As regards the co-operative sale of dairy produce, there is a series of societies for the export of butter, formed among federated dairies engaging to sell the butter they wish to export through the medium of the society in question, and to accept joint and several liability in regard to the production of butter. In general, non-co-operative dairies may also be members of these societies. The first such society was founded in 1888. Now there are six, in various districts of the country; they associate 275 dairies, and the total annual business done by them is about 43,000,000 kr.

(2) As regards the co-operative purchase of dairy machinery and other industrial apparatus, 175 dairies united in 1901 to form the "Co-operative Society for Purchase and Manufacture of Machinery for Danish Dairies." This society has 20 sections, and 851 dairies are now affiliated to it. The total annual business done by it is about 2,200,000 kr., half in connection with the manufacture of machines and half in connection with co-operative purchase. The members of the society are in no way obliged to make purchases. The society was first of all only a co-operative society for the purchase of ordinary articles of trade; but it soon began to occupy itself with the purchase of dairy machinery requiring to be specially fitted up and a workshop for the purpose, and began actively to manufacture the machines themselves. This was arranged by taking over the succession to a former private, well organized business, the former proprietor of which was appointed technical manager, which assured the society from the start of the necessary administrative and technical competence. The

ciety could thus be placed on a footing of equality with competitors at home and abroad, and fulfil the task it has assigned to itself, consisting not so much in manufacturing the best machines and implements as in directing the business on healthy and honourable lines, at the same time avoiding the various costs of advertisement, travellers etc., that the competition of private undertakings necessitates.

(3) The dairy societies occupy themselves with the encouragement of the dairy industry, both from the technical and the economic point of view and especially with the protection of the interests of the industry abroad. Their activity and efficacy, on which for the moment we shall not insist, is guided by the representatives of the dairies concerned. Most of the dairy associations were founded between 1890 and 1900; today there are altogether 21, with a total of 1,128 affiliated dairies. The local societies are federated and formed three provincial associations for the three chief regions of the country, and have also become affiliated to the General Organization of Danish Dairy Societies." This organization occupies itself with business of general interest, such as the answers to be given to questions eventually put by the legislative authorities or the Government, in regard to the laws and regulations relating to the dairy industry and represents the interests of that industry with third parties. This central organization has also other important functions relating to farming statistics and statistics of prices of butter, butter quotations, etc. as will be explained hereafter. The presidential office of these bodies is composed of the managers of the three provincial associations above mentioned, and four members appointed by the Committee of Representatives (*Repræsentantskabet*); each local dairy society appoints a representative for every 20 members, and he has a seat on the Committee. The Committee of Representatives is invested with supreme authority and elects the President of the Organization.

The Dairy Associations must not be confused with the Association of the Technical Dairy Managers (*Mejeristforeningen*), which is a league of the Technical Managers and their assistants. Its organization is similar, as it has provincial sections and a sphere of action coinciding in part with that of the dairy associations and on many occasions has collaborated with the dairy associations.

(4) Sometimes independently, sometimes in dependence on the dairy associations, the associations for the estimation of the value of milk perform the work already described. There are 14 of them, affiliating 58 dairies.

(5) As a central independent organization of several sections of the Technical Dairy Managers' Association and as a special local union of dairies, we have the committee for co-operative experiments with a view to the manufacture of cheese. This committee proposes to direct experiments in cheese making and cheese shows, the object of which is — on the basis of accurate reports, presented by the various dairies, in regard to the methods adopted in cheese making and its preservation in cellars — to decide what may be the most suitable means for improving the production,

taking especially into consideration the general judgment passed on the produce obtained. This committee has a member for each local section represented. Each member organizes the shows in his section and, for the purpose of judgment, two experts are attached to him, appointed permanently for all the sections generally.

(6) On the promulgation in 1898 of the law on accident insurance obliging the dairies, as industrial undertakings, to pay compensation to their employees in case of accident, they formed their own accident insurance society, afterwards so enlarged as now to take in all agricultural businesses subject by the law to insurance, and even voluntary insurance societies. The dairy section of this association now includes 1,311 dairies.

Finally, the dairies are represented by the provincial unions of dairy associations on the Central Co-operative Committee of Denmark (*Andels-sudvalget*), the central organ representing the Unions of Danish co-operative undertakings, the duty of which is to promote the action of the societies and strengthen their position both at home and in their foreign relations in harmony with the international co-operative movement.

*(To be continued).*

## BRITISH INDIA.

### NON-AGRICULTURAL CO-OPERATIVE SOCIETIES IN INDIA.

#### SOURCES:

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ORT OF THE COMMITTEE ON THE ESTABLISHMENT OF CO-OPERATIVE CREDIT SOCIETIES IN INDIA. London : Eyre and Spottiswoode. 1903.

MENT SHOWING PROGRESS OF THE CO-OPERATIVE MOVEMENT IN INDIA DURING THE YEARS 1911-12, 1912-13, 1913-14.

E CO-OPERATIVE CREDIT SOCIETIES ACT, 1904 (X of 1904).

E CO-OPERATIVE SOCIETIES ACT, 1912 (II of 1912).

At various times we have reviewed in this *Bulletin* the progress of agricultural co-operation in British India, but so far we have referred only in the most incidental manner to the development of non-agricultural co-operative societies. The latter, however, although almost insignificant in number by comparison with agricultural societies, have been making progress, and in 1913 and 1914 increased very rapidly.

On June 30, 1912, the number of non-agricultural societies was 495, the total membership was 67,097, and the total working capital £357,286. On the corresponding day in 1914 the number had increased to 806, the membership to 109,694, and the total capital to £554,978. It will be seen, therefore, that this part of the Indian co-operative movement has already reached respectable proportions and it will be worth while to examine it a little more attentively.

#### § 1. PROVISION FOR THE FORMATION OF NON-AGRICULTURAL CO-OPERATIVE SOCIETIES.

The advisability of providing for the formation of urban or non-agricultural credit societies was recognised even before any steps had been taken to launch the co-operative movement in India. The report of the

*Committee on the Establishment of Co-operative Credit in India* — a committee which sat in 1901 and which drafted a bill as the result of deliberations — contained the following paragraph: — “ Further, we consider that the efforts of Government should not be limited to encouraging the establishment of purely agricultural societies. The Italian co-operative banks were first started in towns, and, taking into consideration the results achieved by them, we consider that endeavours should be made to encourage the formation of urban societies working on co-operative lines. The object which these societies would serve would be twofold. In the first place, we consider that they would meet an existing want in providing a medium somewhat more profitable than the Post Office Savings Bank for the accumulation of savings by clerks and artisans, and would thus serve as a useful and much needed incentive to thrift... Further one of the main functions of such banks in Italy is the loaning of capital to rural banks, and we see no reason why urban societies in India should not similarly provide funds for village societies.”

It will be noted that the Committee had in view only co-operative credit societies, and that it contemplated a system in which village societies would act as the agents of urban societies, thus meeting one of the great difficulties which had hitherto hampered the development of agricultural credit, that namely of acquiring local knowledge, and at the same time furnishing a secure and profitable investment for the funds of the urban societies. The Indian co-operative credit system, it may be admitted, is not being evolved precisely in the manner contemplated, and as a matter of fact some of the most interesting non-agricultural societies are small in number of members and poor in resources, and have no connection with agricultural credit societies, having been formed among weavers, brass and leather-workers or other poor craftsmen for the simple purpose of helping their members to escape from the burden of debt and free themselves to some extent from the extortions of dealers and middlemen. Still there are urban banks which lend largely to agricultural societies in their own districts, so that non-agricultural credit is by no means entirely divorced from agriculture.

The *Co-operative Credit Societies Act* of 1904, passed largely upon the recommendation of the Committee already referred to, recognised two classes of societies, agricultural and urban, the distinction being that the former four-fifths of the members were to be agriculturists, and that the latter, at least four-fifths were to be non-agriculturists. In agricultural societies, liability (save with the special sanction of the Local Government) was to be unlimited, while in urban societies it might be either unlimited or limited. The act of 1904 remained in force up to June 30, 1912, on which date (as we have already noted) there were 495 urban societies in operation. The act was then replaced by the *Co-operative Societies Act* of 1912 in which the classification into agricultural and urban societies was dropped, the provisions of the act being framed with reference to the much more important distinction between limited and unlimited societies. The classification adopted in the earlier act had been objected to by many critics, and expe-

ice had proved that the objections were well founded. Urban societies I enjoyed the privilege of working with limited liability, although all the arguments which made unlimited liability advisable in the case of al societies applied with equal force to many urban societies, — for ample, to the small societies of weavers working together in one place either in the town or in the country. As the Hon. Mr. Carlyle, in introducing the amending bill in Council, said: — "The true distinction appears to be between limited and unlimited societies. In many cases urban societies should be unlimited. In some cases there is no reason why rural societies should not be formed of limited liability."

The act of 1912, like the earlier act, contained the provision that agricultural credit societies should, ordinarily, be based on unlimited liability, added the provision that, ordinarily, the liability of a society of which a member is a registered society should be limited, — an important provision which contemplated the formation of unions with other societies as members. The new act, too, was not limited in its application to co-operative credit societies but provided for the recognition of any society which had as its object "the promotion of the economic interest of its members in accordance with co-operative principles," thus clearing the way for the development of societies for purchase and sale, production, production and sale, insurance, etc.

From what has been said above it is clear that the British Government in India intended from the start of the co-operative movement that urban and industrial co-operation should develop side by side with agricultural co-operation, or at least that every opportunity should be provided for its developing. Nevertheless it must be remembered that the real motive which has inspired the co-operative movement has been the desire to benefit agriculture. "The problem of agricultural credit has been looked on as more urgent than that of industrial credit, and the efforts of Government have been mainly devoted to the relief of the small agriculturist." (1)

It is perhaps for this reason that urban or non-agricultural co-operative societies show a somewhat large proportion of failures. The attention of the Registrars and of voluntary workers has been directed somewhat too exclusively towards agricultural co-operation, with the result that urban societies have been formed in a somewhat haphazard manner, and at the present time the comparatively small group of urban societies presents little or none of that homogeneity which distinguishes the large group of agricultural societies. It would be possible to give a fairly accurate idea of agricultural co-operation in India by describing a single village society. In the case of non-agricultural societies the matter is not so simple, and it becomes necessary to give some account of the different classes and kinds of societies of which the group is composed.

(1) *Resolution dealing with the Progress of the Co-operative Movement*. Simla, 1914.

## § 2. DIFFERENT CLASSES AND KINDS OF NON-AGRICULTURAL SOCIETIES

It is important to notice in the first place the relatively high proportion of societies other than credit societies in the non-agricultural group. In the case of agricultural societies the proportion is only 1 per cent. (17 societies out of 14,538), while among the non-agricultural societies it is exactly 20 per cent. (162 societies out of 806). The figures given are for 1914. The majority of the urban (1) non-credit societies (139 out of 162) are engaged in co-operative purchase or purchase and sale, whereas with but few exceptions, non-credit agricultural societies have been formed for production and sale, or for insurance.

Under the head of non-agricultural credit societies are included credit societies for artisans and traders in towns, industrial societies for weavers and other workers in particular industries, and societies for salary earners. The societies for artisans and traders are in some cases strongly established, well-managed institutions, closely resembling the People's Banks with which we are familiar in Europe; in other cases they are associations somewhat loosely organised on the basis of unlimited liability, composed for the most part of petty traders who neglect the work of management, and having often a very precarious existence. We shall deal presently with the difficulties which have been encountered in the constitution and management of different types of urban societies.

Of the industrial societies, formed for the purpose of financing particular industries, undoubtedly the most important are the weavers' societies. Weavers form an important industrial group in practically every part of India, and with the development of the factory system the economic situation of the group threatens to become miserable in the extreme. Co-operative credit societies alone can not save the weavers from the fate which long ago overtook the English hand-weavers, but they can relieve the workers from immediate pressure, and especially from the pressure of debt to private money-lenders. The formation of these credit societies, too, makes it possible for Government and private persons interested in weaving to establish schools of instruction, introduce an improved type of loom and superior dyes and, in general, carry out a constructive policy designed to raise the handicraft above the level of the factory industry and thus free it from the competition of machinery. The authorities are keenly alive to the importance of saving skilled independent craftsmen from being forced into the ranks of the mill-hand class, —a class which, it may be mentioned, is already in a sufficiently depressed condition. Weavers' societies start by making small advances to their members for necessary trade or domestic purposes and by undertaking the collective purchase of yarn. They soon find that they are seriously hampered unless they possess sufficient funds to

(1) We use the term "urban" occasionally for "non-agricultural" in spite of the change in the nomenclature of the official returns. "Non-agricultural," like any term which defines by negation, is open to exception; but "non-agricultural, non credit" becomes impossible.

able them to accept finished cloth on deposit for their members during the slack season and make sufficient advances in yarn or cash to keep the workers employed. The last step consists in opening a regular shop for the sale of members' goods to the public.

A large number of urban credit societies have been founded among workers in the most poorly paid occupations. Thus there are societies among the street-sweepers in various towns, as well as among mill-hands and common labourers. These societies are founded with objects which are largely philanthropic, and it is an essential of their success that some person of superior education and recognised influence should take an active interest in their management, and should, indeed, be entirely responsible for their welfare. They are social rather than economic institutions.

Finally, there is an important group of societies formed among clerks and other salaried employees in Government or municipal service. These are reformed, for the most part, each among the employees of a single Department, but in some cases membership is open to all Government employees stationed in a particular town or district. In the same group we may include societies formed among the employees of some of the railway companies and of certain important private firms.

We have said enough to show that wide differences exist between the various types of societies included in the group of non-agricultural societies. Where such differences exist, averages and aggregates for the whole of India are more likely to mislead than to inform, and it will serve our purpose better to give certain figures for each province separately. The figures in the table below show how greatly the societies differ in size and in financial strength from province to province.

TABLE I. — *Number and Constitution of Non-agricultural Societies 1914.*

Province	No. of Societies	No. of Members	Working Capital
			Rs.
Madras . . . . .	66	21,694	15,21,889
Bombay . . . . .	125	26,525	19,65,168
Bengal . . . . .	80	14,352	12,90,089
Bihar and Orissa . . . . .	41	12,377	1,49,019
United Provinces . . . . .	185	5,755	4,37,428
Punjab . . . . .	34	3,263	8,53,653
Burma . . . . .	49	3,414	6,14,193
Central Provinces . . . . .	88	1,778	96,286
Assam . . . . .	16	1,672	2,22,355
Mysore . . . . .	109	18,209	11,16,207
Baroda . . . . .	13	655	58,389
Total . . . . .	806	109,694	83,24,676

Coorg and Ajmer which have no societies classed as non-agricultural are omitted from the table. It will be seen that 66 societies in Madras have a membership of 21,694 and a working capital of more than 15 lakhs of rupees, while 185 societies in the United Provinces have a membership of only 5,755 and a total capital of little more than 4 lakhs of rupees. Certain other data relating to the societies show equally wide divergences. In Madras 49 out of 66 societies (74 per cent.) are limited societies; in the United Provinces only 17 out of 185 (9 per cent.) are limited. In Madras, Bombay and some other provinces the societies lend at little over 9 per cent. while in Bengal and the Punjab the rate of interest charged is 12½, and in the United Provinces and Burma it is 15 per cent.

§ 3. PROGRESS OF THE SOCIETIES TO 1914,  
AND PRESENT FINANCIAL POSITION.

Absolute figures as to the growth of any particular movement usually convey very little to a reader unless he happens to be familiar with a number of other data. This remark applies with considerable force to the figures we present below, but we present the figures which are available and then furnish such guidance as we can in the matter of their interpretation. So much premised, we may give in a table the chief data as to the growth of urban or non-agricultural co-operation during the ten years following the passing of the act of 1904.

TABLE II. — *Progress of Non-agricultural Societies to 1914.*

Year	No. of Societies	Working Capital	Total Membership
1905. . . . .	6	—	—
1906. . . . .	37	5,914	—
1907. . . . .	89	33,599	—
1908. . . . .	149	55,525	133,939
1909. . . . .	227	66,544	218,258
1910. . . . .	321	61,398	244,906
1911. . . . .	415	69,399	309,425
1912. . . . .	495	67,097	357,286
1913. . . . .	691	76,378	380,000
1914. . . . .	806	109,694	554,978

It will, in the first place, add something to our understanding of the information contained in the table if we know the figures relating to the other classes of societies, namely, agricultural and central. In 1914, there were 14,538 agricultural societies with a total membership of 599,822 and working capital amounting to £ 2,693,445, while there were 329 central societies with a total membership of 34,710 and an aggregate working capital of £1,935,812. Briefly, non-agricultural societies form 5 per cent. of the total number of societies, they include 14 per cent. of the total membership, and they hold 10 per cent. of the total working capital of Indian co-operative societies.

It would be misleading to attach undue importance to these proportions, since as a matter of fact the distinction between central and non-agricultural societies is quite arbitrary, societies which lend more than half their funds to other societies being classed as central, while those which lend only half or less to other societies are classed as non-agricultural. Thus, a society which this year is classed as non-agricultural may, by increasing the relative importance of its loans to other societies, pass next year into the class of central societies. It is worth noting that the figures given above relate to non-agricultural societies of all kinds and not to credit societies alone. In 1914 the group of 806 societies is made up as follows: credit 644, purchase and purchase and sale 130, production 1, production and sale 11, other forms of co-operation 11. It would be preferable if the statistics for credit and non-credit societies were presented separately but in the summarised statements published by the Government of India they are not distinguished. This is a matter of no great importance in the case of agricultural societies, only one per cent. of which are other than credit societies, but it has more weight in the case of non-agricultural societies, 20 per cent. of which are other than credit societies. It must be remembered, however, that existing societies for purchase and sale, production, etc., work almost invariably with very little capital, so that the total of their transactions for any year is comparatively small. In the *Receipts and Disbursements* and *Balance Sheet* of non-agricultural societies shown below there are some few items such as "Sale of Goods to Members" which relate to non-credit societies. The figures are for the financial year ending June 30, 1914.

TABLE III. — *Non-agricultural Societies: Receipts and Disbursements*  
1913-14.

Receipts		Disbursements	
	Rs.	Rs.	
Share Payments . . . . .	13,95,212	Share Capital Withdrawn . . . . .	2,46,14
Loans and Deposits:		Members' Deposits Withdrawn . . . . .	26,33,46
By Members . . . . .	31,02,674	Loans Repaid to:	
By Non-members . . . . .	15,83,239	Government . . . . .	9,34
By Other Societies . . . . .	1,01,124	Central Societies . . . . .	4,64,16
By Government . . . . .	26,350	Other Societies . . . . .	56,12
By Central Societies . . . . .	7,36,078	Non-members . . . . .	9,17,44
Loans Repaid:		Loans to Members:	
By Members . . . . .	56,45,269	On Personal Security . . . . .	60,65,33
By Central Societies . . . . .	49,574	On Mortgage Security . . . . .	16,59,62
By Other Societies . . . . .	1,30,747	Loans to Central Societies . . . . .	53,87
Interest Received . . . . .	5,80,950	Loans to Other Societies . . . . .	63,171
Sale of Goods to Members . . . . .	17,21,955	Interest Paid . . . . .	2,66,64
Other Income . . . . .	19,00,514	Dividend and Bonus Paid . . . . .	1,11,703
		Stock Bought . . . . .	17,43,63
		Establishment and Contingencies . . . . .	1,38,519
		Other Items . . . . .	19,16,000
		Carried to Reserve . . . . .	42,645
<i>Total Income</i> . . . . .	1,69,64,586	<i>Total Expenditure</i> . . . . .	1,68,93,439
<i>Opening Balance</i> . . . . .	4,82,823	<i>Closing Balance</i> . . . . .	5,46,059
<b>GRAND TOTAL . . . . .</b>	<b>1,74,47,409</b>	<b>GRAND TOTAL . . . . .</b>	<b>1,74,47,409</b>

TABLE IV. — *Balance Sheet of Non-agricultural Societies, June 30, 1914.*

Assets		Liabilities	
	Rs.	Rs.	
Value in Hand and at Bank	5,75,287	Loans and Deposits from Non-members . . . . .	16,03,029
Value of Investments . . . . .	3,30,026	Loans and Deposits from Other Societies . . . . .	7,52,091
Debts due by Members . . . . .	64,07,830	Loans from Government . . . . .	71,990
Debts due by Societies . . . . .	8,93,376	Deposits of Members . . . . .	21,65,855
Interest due . . . . .	1,86,755	Share Capital . . . . .	31,16,905
Value of Stock in Hand . . . . .	3,09,747	Interest and Dividend due . . . . .	1,65,196
Other Items . . . . .	1,85,437	Cost of Management due . . . . .	11,890
<b>TOTAL . . . . .</b>	<b>88,88,458</b>	Other Items . . . . .	2,29,009
		Reserve Fund . . . . .	3,85,795
		<b>TOTAL . . . . .</b>	<b>85,01,762</b>
		Balance (Profit) . . . . .	3,86,696

A glance at the above Balance Sheet will show how the working capital of the societies is made up. The two chief items are Deposits of Members and Share Capital, which together amount to Rs. 52,82,762. Loans and Deposits from Non-members, Other Societies and Government amount to Rs. 24,27,110, Reserve Fund (consisting of undistributed profits) amounts to Rs. 3,85,795, and, lastly, Other Items (unclassified) amount to Rs. 2,29,009. It will be seen, therefore, that what is sometimes distinguished as internal capital — Deposits of Members, Share Capital and Reserve Fund — forms the greater part of the working capital, being in fact 68 per cent. of the whole. It is worthy of note that Government loans are quite insignificant in amount, forming less than one per cent. of the total working capital.

#### § 4. SOME DIFFICULTIES OF MANAGEMENT AND CONTROL.

Many defects have been revealed from time to time in the constitution and management of non-agricultural societies, and considerable difficulty has been encountered in their supervision and control. This may be due in part to the fact that the Registrars, devoting most of their attention to agricultural societies, have in some cases sanctioned the registration of societies formed on quite unsound lines, but it is due

in the main to the fact that non-agricultural societies are exposed to risks which do not affect agricultural societies, or at least do not affect them to the same degree.

An agricultural society, in the first place, is generally smaller and therefore more manageable, while the members known personally to one another usually occupy small holdings of land which bind them to the village. Each member knows, within a little, the financial position of every other member, and each makes it his business to see that every loan is used by the borrower only for the purpose for which it was granted. Moreover, in village societies, liability being unlimited, the character of each applicant for membership is carefully inquired into, so that a society may be said to consist of men who by their neighbours are accounted honest and diligent. This close supervision, both over the employment of loans and over the admission of members, forming a double security, cannot as a rule be exercised in non-agricultural societies, many of which are composed of artisans, petty traders and people of the professional classes all of whom would resent any attempt at controlling their liberty of action.

Again, the management of a non-agricultural society is more likely to fall into the hands of men who will manipulate the business in their own interests, because the members are less in touch with one another and usually have, as compared with the small cultivator, many other things which engage their attention. The *raiyat*, when he has no work to do on his small fields has time to discuss the affairs of his co-operative society, and, as the range of topics offered by a small village is a narrow one, we may assume that everything connected with the society is submitted to a good deal of criticism.

Each kind of society has to contend with particular difficulties of its own, and each is liable to show certain defects. Societies of the type of the People's Banks tend generally to drift away from co-operative principles and become capitalistic. This is a natural movement over which there is no need to grow pessimistic. A society which issues shares for an important amount, is based on limited liability, and carries on a general banking business both with its own shareholders and with the public, already resembles very closely the ordinary joint stock bank, and there is no reason why it should be bound indefinitely to continue working on so-called co-operative lines if the shareholders should ever become convinced that it would be a wise step to place the society frankly upon a capitalistic basis. However, this is a view of the situation which naturally does not commend itself to a Registrar of Co-operative Societies and, in fact, more than one Registrar in his report mentions with regret that prosperous town banks are apt to lose their co-operative character.

Clerks' societies seem to have met with only a small measure of success. The working of such societies was discussed at some length at the Sixth Conference of Registrars of Co-operative Credit Societies, held at Simla in 1912, and the evidence brought forward pointed to fairly widespread failure. The Registrar of the United Provinces said: — "We

have not been fortunate with societies for clerks in the United Provinces. They are usually on a limited liability basis and defaults are very common." In Behar and Orissa there was only one society which could be described as "very successful," out of six societies in operation. In the Punjab there was only one large society, at Simla, and it had not been successful.

One of the chief difficulties in the case of clerks' societies is the circumstance that members are often transferred to other districts, and in those cases it is very difficult to collect any loans that may be due. In the case of the Simla society, for instance, it was stated at the Conference that there were 90 loans outstanding and 70 defaulters scattered all over the country. It would be possible in the case of Government clerks for the district Collector or some other official to bring pressure to bear upon the members of credit societies who were in default, but there are grave objections to such a course. Where the superior officials take an active interest in the affairs of a clerks' society, things often go smoothly enough; but these officials are quite likely to be transferred after a time and their successors may not have the same interest in co-operation. In that case it is very probable that the management of the society will deteriorate. Clerks when they join a credit society are often heavily indebted to private money-lenders, but it is very difficult to get them to disclose their true position, and the management committee, not wishing to be considered inquisitorial, do not make sufficient enquiry when admitting members or passing upon loans.

Artisans' societies, of which the numerous weavers' societies are typical, often find it difficult to get together even the relatively small amount of capital which they require. Their members are nearly always poor men with little or no immovable property, and with only the simplest of appliance for carrying on their industry, their real capital consisting in their skill. By comparison, therefore, with the security which they have to offer, the sums which the workers require for the purchase of materials seem large, and unless a Government loan is available, lack of funds is likely to hamper the work. Again, it has been noted in some cases that there is a tendency to exclude the poorest members of the trade, that is to say the men who would benefit most by the society.

In artisans' societies the pooling of the members' credit, which is a comparatively simple step, may be accomplished without the society getting much further. The next step in development, consisting in the organisation of collective purchase and sale, is a more difficult one, as the society before taking it must be in a position to meet not only the competition of the dealers, but also the seasonal fluctuations of the trade itself. It must be in a position to keep its members working during the slack season by making advances to them, to be repaid in the busy season. Then, too, the purchase of suitable materials calls for some expert knowledge and considerable business ability, and outside the ranks of the ordinary dealers it is by no means easy to find men who possess both. It is indispensable that collective purchase and sale, if it be undertaken, should be well done, otherwise the society will simply drift into difficulties and finally dissolve.

leaving its own members discouraged and the co-operative movement discredited. It is precisely here that the Departments of Government can lend assistance by making the services of their experts easily available. Assuming that it is desirable to save native industries and handicrafts from extinction (and upon this point there is general agreement) it must be recognised that they cannot be saved merely by forming credit societies among the workers, and much less by doles of money from Government. The credit societies form, as it were, a foundation, a starting point, for all the efforts, official or unofficial, which are directed towards preserving the native crafts. Credit societies may with advantage be assisted in certain circumstances by advances of capital from Government, but such advances need only be temporary. If Government will make it its care to promote and direct an industry such as weaving upon its technical side, the credit societies will soon be able to attract what capital they need from co-operative or other banks, and Government loans will no longer be needed. But no private individual or association can undertake the broad scheme of instruction which alone will in time raise the native handicrafts above the level of machine competition.

## GREAT BRITAIN AND IRELAND.

### INDUSTRIAL CO-OPERATION IN 1914.

From the September issue of the *Board of Trade Labour Gazette*, published by the Labour Department of the Board of Trade, we reproduce the following particulars relating to industrial co-operative societies in the United Kingdom. They are compiled from returns made direct to the Department, supplemented by information supplied by the Co-operative Union and by the Chief Registrar of Friendly Societies.

At the end of 1914 there were at work in the United Kingdom 1,524 industrial co-operative distributive and productive societies, with an aggregate membership of 3,096,314, a total share, loan, and reserve capital of £4,603,071, a total trade (distributive and productive) of £164,587,520 (1), and a total profit before deduction of interest on share capital, of £5,110,960. This is an increase over 1913 of 3 societies, of 176,966 in membership, £3,977,286 in capital, £10,874,550 in trade, and £933,406 in profit.

The total number of persons directly employed by the societies was 44,974, (1) and the total amount of wages paid during the year £8,43,424 (1).

While some of the societies are engaged only in distribution, and some in production, others are engaged in both distributive and productive operations. In the following statistics, however, distribution and production are dealt with separately.

#### § I. CO-OPERATIVE DISTRIBUTION.

At the end of 1914, 1,385 retail and 2 wholesale industrial societies were engaged in distribution. These societies had an aggregate membership

(1) The figures are exclusive of the number and wages of persons employed in agriculture, Industrial Distributive Societies, and of the sales and transfers of agricultural produce of the societies.

of £3,635,828 a total share, loan, and reserve capital of £58,305,412 (<sup>1</sup>) sales amounting to £132,316,095, and a profit on distribution before deducting interest on share capital of £ 14,542,623 (<sup>1</sup>) while the total number of persons directly employed in distribution by these societies was 82,844 and the total wages paid £5,103,951.

In the following Table are shown separately for the retail and for the wholesale industrial societies the sales for 1914 together with those for the preceding year and (in order to show the growth in 10 years) for 1904.

TABLE I. — *Sales of Retail and Wholesale Industrial Societies.*

	1914	1913	1904
<b>Retail Societies:</b> Sales of the English Society . . . . .	1,385	1,382	1,454
" " Sales . . . . .	£87,979,898	£83,607,043	£59,311,88
<b>Wholesale Societies:</b> Sales of the English Society . . . . .	£34,910,813	£31,371,976	£19,809,19
Sales of the Scottish Society . . . . .	£9,425,384	£8,964,034	£6,801,47

Of the total profit of £14,543,623 (<sup>1</sup>), a sum of £13,501,784 was made by the retail societies and £1,041,839 by the wholesale societies. In the case of the retail societies the greater part of the profit was distributed to the members as a dividend on purchases, at an average rate of 2s. 4  $\frac{1}{2}$  d. in the £1 in England and Wales, 3s. 2d. in Scotland, and 1s 2  $\frac{1}{2}$  d. in Ireland, the average for the United Kingdom being 2s. 5  $\frac{1}{2}$  d. Non-members usually receive dividends at one-half these rates.

The English and the Scottish wholesale societies paid to members dividend on purchases of 5d. and 8  $\frac{1}{2}$  d. in the £1 respectively.

In addition to the above societies there were also at work in 1914 two societies, one a co-operative cab society in England with 22 members, a capital of £829, a trade of £5,511, and profit of £478; and the other a co-operative motor society in Ireland with a membership of 17, a capital of £938, trade amounting to £970, and a profit of £50.

*Profit Sharing with Employees.* — Of the total 1,385 retail societies 173 employing 14,761 persons, and paying wages amounting to £870,091 in their distributive departments, allotted a total of £39,450 out of the

(1) The figures include the capital used in the productive departments of retail societies and the profit upon the productions of these societies, the amounts not being available separately. The capital used in the productive departments of the wholesale societies, £4,037,445, and the profit, £316,582, are not included.

ofits to their employees as a bonus on wages, this being equal to 4.5 per cent. upon the wages paid.

The Scottish Wholesale Society, with 2,743 distributive employees, and having wages amounting to £177,501, allotted £6,300 as a bonus on wages, this being equal to 3.5 per cent.

## § 2. COOPERATIVE PRODUCTION.

In 1914 there were 1,137 industrial co-operative societies of various types engaged in production, consisting of 1,000 retail and two wholesale distributive societies having productive departments, and of 135 associations for production only, consisting of 5 corn-milling societies, 38 baking and other consumers' societies, and 92 associations of workers. The total number of persons employed in production by these societies was 62,095, the amount of wages paid during the year being £3,738,570, and the value of productions £32,264,944. Of the 62,095 persons employed in production, 53.4 per cent. were men, 29.3 per cent. women, and 17.3 per cent. were young persons under 18 years of age.

In the following Table the sales of each group of societies, together with the totals for all the societies, are shown for each of the years 1914, 1913 and 1904:

TABLE II.—*Sales and Transfers of Productions.*

	1914	1913	1904
	£	£	£
<i>Associations of Consumers:</i>			
Productive Departments	15,551,185	14,550,246	5,958,099
of Distributive Societies	12,608,101	11,211,882	5,515,611
Productive Societies: Corn-milling . . . . .	1,035,044	1,003,579	1,345,207
"    "    Baking and Other			
Consumers' Societies . . . . .	1,291,950	1,270,579	674,461
Associations of Workers . . . . .	1,778,664	1,732,337	1,109,318
Grand Total of all Societies . . . . .	32,264,944	29,768,623	14,602,246

The total value of productions has increased in ten years by nearly 121 per cent., the greatest increase (161 per cent.) being shown by the productive departments of the retail societies. The productive departments

of the wholesale societies show an increase of 128.6 per cent., the baking and other consumers' societies an increase of 91.6 per cent., and the associations of workers 60.3 per cent. Cormilling societies alone show a decrease (23.1 per cent.) this being largely due to the fact that in 1906 two of the mills at work in 1904 were absorbed by the English Wholesale Society.

The following Table analyses by groups of industries the number of persons employed, the amount of wages paid, and the amount of sales and transfers of productions in 1914.

TABLE III. — *Co-operative Production: Persons Employed, Wages Paid, Sales and Transfers of Productions in 1914.*

Groups of Industries	Associations of Consumers			Associations of Workers		
	No. of Employees	Wages paid during 1914	Sales and Transfers of Productions	No. of Employees	Wages paid during 1914	Sales and Transfers of Productions
Food and Tobacco . . .	15,530	1,108,001	23,055,040	169	12,692	964
Clothing . . . . .	24,165	1,256,624	3,625,553	4,191	209,882	8831
Soap, Candles and Starch . . . . .	1,485	83,866	1,194,668	—	—	—
Textiles . . . . .	2,176	102,072	581,081	1,843	97,347	4886
Building, Quarrying and Woodworking .	5,474	473,000	1,204,097	315	23,064	54,836
Printing . . . . .	2,134	125,651	375,242	1,071	74,125	189,621
Metal, Engineering and Shipbuilding . . .	717	48,339	194,251	446	20,906	46,075
Other Industries . . .	2,302	96,150	256,348	132	5,861	14,920
<i>Totals 1914 . . .</i>	<i>53,923</i>	<i>3,293,703</i>	<i>30,486,280</i>	<i>8,172</i>	<i>444,867</i>	<i>1,778,664</i>
<i>Totals 1913 . . .</i>	<i>51,304</i>	<i>3,074,924</i>	<i>28,036,286</i>	<i>8,205</i>	<i>442,361</i>	<i>1,732,337</i>

A total profit of £596,809 was made upon industrial production by societies other than retail societies, the profits of the productive department of the latter being merged in their general profit, and therefore not separately ascertainable.

Of this total £316,582 was made by the wholesale societies, £34,170 by the cormilling societies, £144,500 by breadmaking and other consumers societies and £101,557 by the associations of workers.

*Profit sharing with Employees.* — Of the 1,137 societies engaged in industrial production, 141, employing 17,343 persons in production, with

wages amounting to £997,275 allotted a sum of £49,322 to these employees as a bonus on wages, this being equal to about 5 per cent. Of the total amount, £9,882 was allotted by retail distributive societies, £12,205 by the cotton Wholesale Society (which has since abolished its system of profit-sharing), £9,088 by five consumers' productive societies, and £18,147 by 7 associations of workers.

*Associations of Workers: Share of Employees in the Membership, Capital and Management.*— Seventy-eight of the associations of workers for production, with sales amounting to £1,717,869, or 96.6 per cent. of the total sales of the 92 associations at work in 1914, made returns showing the extent to which their employees and others shared in the membership, capital and management of the associations.

The returns show that the total membership of the 78 associations was 22,112, of whom 4,679, or 21.2 per cent. consisted of employees, 13,536 or 61.2 per cent. of other individuals, and 3,897, or 17.6 per cent., of other societies. Of 7,665 persons employed by the associations 4,679, or 61 per cent., were members of the associations employing them.

Of the £744,963 share and loan capital, £109,381, or 14.7 per cent., belonged to employees; £264,548, or 35 1/2 per cent., to other individuals, and £310,680, or 41.7 per cent., to other societies. The remaining £60,354, or 11 per cent., consisted of loans from non-members, including bank over-drafts.

The total number of directors or committeemen of the associations was 708, of whom 272, or 38.4 per cent., were employees of the associations; 288, or 40.7 per cent., were other individual members; and 148, or 20.9 per cent., were representatives of other (shareholding) societies.

MISCELLANEOUS INFORMATION RELATING  
TO AGRICULTURAL CO-OPERATION AND ASSOCIATION.

CANADA.

EGG SELLING ASSOCIATIONS IN PRINCE EDWARD ISLAND. — The first local association or circle for the production and sale of eggs was formed in Brooklyn in March, 1913. The previous year an investigation into the prospects of the egg and poultry industry in the Province had been carried out by Mr. W. A. Brown, Chief of the Poultry Division, Department of Agriculture, Ottawa, and as a result of this investigator's report the Department appointed an expert in poultry breeding to reside in Prince Edward Island and give instruction in the methods of producing and marketing eggs and poultry. The resident expert, following modern approved methods, soon began the work of organising local co-operative associations, thirteen of which had been established by the end of 1913. The success of the egg "circles," as they are called in the Province, has been most encouraging. During 1913 the sales of the thirteen circles amounted to \$14,190, and during 1914 the number of circles increased to sixty-two and the total sales for the whole of 1914 and the first two months of 1913 amounted to \$230,000. It soon became evident that a central selling and controlling agency was needed, and early in 1914, the "Prince Edward Island Co-operative Egg and Poultry Association" was established by a special act of the Provincial Legislature. The objects of the Association are declared to be (a) the encouragement of the production and marketing of eggs and poultry and all matters connected therewith, (b) the supervision and encouragement of such commercial enterprises as may be deemed, by the Association, likely to facilitate the more profitable production and disposal of the produce of the circles, (c) the encouragement of the purchase, breeding and distribution of improved strains of highly productive stock. The Association has already opened egg "canning" and grading stations at Charlottetown, Summerside, Montague, Kensington and York. These stations eliminate unnecessary handling and waste and ensure that each producer is paid for his produce on the basis of quality as well as quantity. Buyers are attracted to the Province by the fact that they can secure large and regular supplies of eggs of uniform quality and it is confidently expected that a sound and profitable industry will soon be built up.

SPAIN.

**CREDIT FOR AGRICULTURAL SYNDICATES.** — In Spain the question of credit for co-operative unions is now one of the most important in the agricultural social sphere, on account of the development assumed by these associations. As there is as yet no general organization of rural credit and the *Pósitos* (1) are still in course of transformation, the co-operative associations have not now any source available whence to obtain the credit their members require, except the private or official banking houses. In this position, especially as the above houses (above all the private ones) have considerably reduced their business on account of the normal situation created by events of international character, the credit syndicates have experienced serious difficulties in discounting their bills of opening new current accounts, so that the needs of their members in respect to working capital have naturally increased instead of diminishing.

We have already had an opportunity of explaining to our readers (2) that in Spain the official establishments bound by their rules to give credit to the co-operative societies are the Mortgage Bank and the Bank of Spain. We also at the same time showed that the first of these establishments, although quite specially founded to assist agriculture, limits its action almost entirely to urban districts, and that the second has not yet lent the agricultural social institutions all the support it should as a State Bank.

On these grounds, the Spanish Government, being in addition alarmed at the serious difficulties encountered by agriculture at the present moment, has lately issued a Royal Order to the Bank of Spain, urging it:

(1) without delay to enter on its credit lists, after first examining their rules and all precedents enabling it to proceed to their proper classification, all syndicates benefiting as such under the law of January 28th., 1906 (3);

(2) to communicate to the Department of Finance the rules it shall lay down for the grant of credit to agricultural syndicates and the benefits it shall grant those syndicates that act as intermediaries in this business, in conformity with article 78 of its regulations, as coming under the 3<sup>rd</sup>. head (4), as well as the number of syndicates classified, for the purpose indicated, in each province and the amount of credit it is ready to grant them.

(1) See article, "The Work of the Agricultural Credit Institutes in Spain", in the number of this Bulletin for June, 1914.

(2) See article, "Co-operation in Spanish Agriculture", in the numbers of this Bulletin for March and May, 1915.

(3) See above article.

(4) Article 78 of the Regulations of the Bank lays it down that: "with the consent of the Board of Management, the Bank may grant a commission to syndicates, unions or associations of commercial, industrial or agricultural character that guarantee payment of the bills their members get discounted."

The Bank of Spain immediately replied to this Royal Order, in an Official Note, in which it is stated that the Bank will in every way endeavour to meet the desires of the Government and of the rural population and that it desires to enter on its credit lists all legally authorized syndicates. It further invites these associations themselves to ask for credit to be opened to them so that it may be able to examine their rules and the other preliminaries necessary for their proper classification.

The note adds that the Bank adheres to the principle expressed in the Royal Order in question, considering the syndicates as intermediaries guaranteeing the operations and in this sense will accept the bills these associations present on their members' account. Further to encourage such operations, the Bank will grant the syndicates as intermediaries 12.5% of the profits it realises on these operations.

The Bank finally announces that it will send a circular to all its branches to facilitate transfers and simplify procedure and order them to enter on their credit lists not only the syndicates, but also their members, classifying them according to their merits and in this matter showing the greatest good will.

(Summarised from *España Económica y Financiera*, Madrid).

#### ITALY.

I. -- THE FOUNDATION OF A NATIONAL CO-OPERATIVE LABOUR COMMITTEE  
— On August 25th. last, on the initiative of the *Lega Nazionale delle Cooperative* (National League of Co-operative Societies), a National Labour Committee was formed at Milan. This Committee, founded on mutual principles, proposes to put the labour co-operative societies in a position to participate to the greatest extent possible in undertaking and carrying out public contracts, taking the place of private contractors and thus enabling the working class to share immediately in the profits of the work. All co-operative societies for production, labour and distribution may be members of the new organization, which will obtain the funds for its work by the issue of shares of 100 frs. each to members and from the contributions of the larger banking institutes. The aim of the Committee is defined as follows in article 2 of the Rules: "To contribute as far as may be to the production and supply of articles and the execution of work that the present exceptional moment requires. The Society will furnish the supplies and execute the works itself directly by means of its own laboratories or establishments or with the help of co-operative associations or groups of labourers, local committees, institutions etc. The Society will arrange for the regular distribution of labour, so as to assist the regions most affected by the crisis and by unemployment, with the special intention of assigning

the labourers the entire profits from the work, saving them as far as possible from the oppressions and from the speculation of the middlemen, will be also to the interest of the public administrations." The principles guiding the distribution of eventual profits are laid down as follows art. 27 of the Rules. "The net profits, after deduction of not less than 20 % to be placed to the reserve fund and an amount sufficient to give not less than 5 % interest on the paid up capital, will be distributed as follows: 20 % to the fund for co-operative education; 80 % to works assistance and thrift for the benefit of the labour organizations."

(Summarised from *Cooperazione Italiana*, organ of the National League of Co-operative Societies. Milan, no. 1,159, October 1st., 1915).

2.—AGRICULTURAL ASSOCIATIONS IN ITALY.—From a publication of the General Management of Agriculture (1), it appears that in Italy there were at the 1st. of January, 1914, altogether 1,886 agricultural associations, distributed as follows: Piedmont, 337, Venetia, 282, Emilia, 233, Lombardy 19, Sicily, 176, Apulia, 113, Umbria, and Latium, 107, Tuscany, 90, Campania, 87, Liguria, 70, Marche, 56, Abruzzi and Molise, 38, Basilicata and Calabria, 36, Sardinia, 32.

These associations were divided as follows, according to their character: agricultural consorzi and syndicates 428, dairies 232, various co-operative purchase societies 188, antiphylloxera consortiums 165, agricultural comizi 152, viticultural and wine making societies 142, agricultural unions 131, mutual livestock insurance societies 94, agricultural societies of indefinite character 77, agricultural clubs 69, societies for production and labour 40, mixed agricultural societies 34, horticultural and kindred societies 28, national and regional associations 27, societies for collective sale of agricultural produce 14, sericultural societies 12, *fatto* agricultural associations 10, olive growing and oil making societies 9, livestock improvement associations, 9, mutual hail insurance societies 9, academies and kindred bodies 8, agricultural machine societies 5, societies for the production of manure 3.

The largest class of these associations is therefore that of the agricultural consortiums, which are indeed among the most encouraging manifestations of agricultural activity in all the regions.

3.—A CO-OPERATIVE NATIONAL RABBIT IMPROVEMENT SOCIETY.—On the initiative of the *Società Agricola Nazionale*, there has been formed in Rome a co-operative society for the "improvement of rabbits, the encouragement of the use of their meat as food, and the production of rabbit skin and rabbit

(1) See *Notizie intorno alle associazioni agrarie esistenti in Italia al 1º gennaio 1914*. Department of Agriculture, Industry and Commerce. General Management of Agriculture. Rome, 1915.

fur for industrial purposes." It has taken the form of a co-operative society limited by shares, the value of the shares being 20 frs. each. In accordance with its rules, the Society proposes to supply its members with pairs of rabbits for breeding, and hutches, as well as to equip large warrens for industrial purposes, and organize the retail sale of the meat in the principal cities. The rules likewise authorize the society to accept donations even from non-members, for the purpose of purchasing hutches and rabbits to be distributed gratis.

The society intends to work in the whole of Italy, and appoint correspondents in the chief provincial towns, to direct the movement in each district and in particular to facilitate the work of small rabbit farms.

(Summarised from a communication issued by the Society).

## Part II: Insurance and Thrift

### DENMARK.

#### THE DANISH PEASANT AND SOCIAL INSURANCE.

The twelfth session of the Permanent International Social Insurance Committee held in 1914, on the agenda for which the Committee had placed the subjects of social insurance charges and the possible extension of social insurance to independent individuals, gave Prof. H. Westergaard and Miss Black, on the one hand, and Mr. Cordt Trap, Head of the Statistical Bureau of the town of Copenhagen, on the other, an opportunity of publishing the results of social insurance in Denmark in the most careful and suggestive manner. Availing ourselves of their reports, we shall endeavour to show here what social insurance has done for the Danish peasant.

#### § 1. OLD AGE PENSIONS.

The first Danish law on social insurance was that of April 9th., 1891, on old age pensions, amended by the laws of May 23rd., 1902 and March 13th., 1908. The costs in connection with these pensions are paid half by the State and half by the communes. In this case all the assistance comes from the public administrations, the party interested does not himself contribute.

Every individual who has completed sixty years has a right to a pension, if he is unable by his work to support himself or those dependent on him, and satisfies the conditions of the law, including that of not having received any public assistance in the five years preceding his application. The law therefore makes provision for indigence, but makes no distinction in respect to the social class. The assistance given must suffice in any

case for the maintenance of the person assisted and his family and for medical treatment and care in case of illness. It is left to the Municipal Council, to fix the amount of assistance and, in case of appeal, to the superior administrative authorities and in the last resort to the Ministry of the Interior. It has been said, with some reason, that the law was only a frame to be filled in by the Municipal Councils.

It is quite natural to suppose that the amount granted will depend, as is the case in practice, above all in rural communes, on the economic situation of the applicant and will be less if he has any income of his own. It was taken into consideration that there was a danger that other persons might lose all desire to give assistance, and the poor all interest in helping themselves, and a remedy, at least partial, was attempted. Thus the 1908 law decided that in determining the amount of assistance no account should be taken of any income not exceeding 100 crs. per ann., whether due to private charity, or annuities, legacies, pensions etc. In addition, the Department does not make it an absolute condition that the applicant shall be completely without means, but admits the possession by him of a certain fortune, not to exceed 1,000 crs., or a very small holding, in such cases the amount of the assistance is generally reduced.

It was attempted, but without success, to fix the amount of assistance according to the age of the person, his domicile and the cost of living, which might urge him to increase his income.

In Copenhagen, the persons assisted each year are divided into classes according to their social position. Class I includes day labourers and persons who may be grouped with them; Class II, workmen who have learned a trade and servants (not included in class I) as well as some small dealers; Class III, dealers, artisans, small manufacturers and others of independent occupations; Class IV, members of the liberal professions and persons who may be grouped with them.

Those admitted to receive assistance between 1903 and 1913 were classified as follows:

	1905-09 Number	to 1912-13 %	1903 to 1907-08
Class I. . . . .	3,535	44.9	41.6
Class II. . . . .	2,691	34.3	40.2
Class III. . . . .	1,402	17.9	16.5
Class IV. . . . .	216	2.9	1.7
	7,844	100.0	100.0

About  $\frac{1}{5}$  th. of those receiving assistance belong to groups III and IV and not to the working classes and the percentage has increased a little.

In this connection, it is well to remark that of the persons assisted 3 % of the men, and 8.3 % of the women had already received assistance

on the public. These high figures for Copenhagen are due to its being the capital, in the rural districts they do not rise above 0.3 % and 0.4 %; that in the country those assisted have generally not received previous public assistance.

Old age pensions are granted on an enormous scale in Denmark, the following figures show. The number of persons assisted increased between 1892 and 1911-12, from 30,957 to 60,102, that is to say 21 % of the men and 38 % of the women over 60 years of age are receiving assistance. The average annual grant per person assisted increased in the same period from 82.63 crs. to 210.24 crs. and the average grant is to day 273.25 crs. in Copenhagen, 255.65 crs. in the provincial towns and 168.54 crs. in country districts. Between 1892 and 1911-12, the total expenditure has increased from 2,500,000 crs. to 12,401,058 crs.

## § 2. SICKNESS INSURANCE.

The second law with which we have to deal is that on Mutual Sickness Societies of April 12th., 1892. The fundamental principle of this law is voluntary insurance in combination with the public subventions to sickness societies recognised by the State. The State subvention is granted in cash to the several societies, in the proportion of 2 crs. per member, together with  $\frac{1}{6}$  th. of the amount of the contributions paid by the members.

The communes grant the societies the following favours: 1st. Reduction by at least half of the costs of treatment to members and their children under 15 years of age in the district hospital (a similar reduction granted in the case of treatment in the Government lunatic asylums); 2d. For members living in the country and their children under 15 years of age, free transport of doctor, or midwife or of the patient to and from hospital over a distance of 11 kms. each way. The Communes may also grant subventions in money, but this is optional.

In order to obtain these benefits the society must be recognised by the State, which entails the obligation of submitting to the conditions required by the law and to inspection.

The sickness societies must themselves provide their members and their children under 15 years of age with medical and hospital treatment, as well as grant them a daily allowance, in general not to exceed two thirds of the average wages for members and not to be less than 0.55 fr. a day. If the daily pay is less than two thirds of the wages, the members have the right to secure themselves that amount by means of a supplementary contribution.

The sickness societies recognised by the State, according to the law of 1892, are open to labourers, small land holders, artisans, small manufacturers, employees with small salaries and persons of either sex in a similar economic situation. In practice, the law is so interpreted that anyone belonging to the working class must be accepted as a member.

if he has no other income than that received from his employer for his services. In the case of other persons, the management has established a maximum limit of annual income, 1,800 crs. at Copenhagen, from 1,200 to 1,400 crs. in provincial towns and 1,000 crs. in the country, with an additional amount of 100 crs. for every child under 15 years of age, living with its parents.

Since the law of April 12th, 1892 came into force, the sickness societies have developed rapidly, as the following figures show:

	1893	1900	1912
Number of Societies . . .	457	1,104	1,523
Number of Members . . .	116,763	302,008	749,635
Revenue . . . . .	830,000	3,097,000	8,789,000
Expenditure . . . . .	962,000	2,924,000	8,422,000
Capital . . . . .	605,000	2,367,000	8,291,000

At different dates, in 1896, 1905, and 1910, statistics have been published to show the distribution of the male members of the sickness societies according to profession. We give below the figures published for the first and last of these years, both as total amounts and as percentages.

TABLE I. — *Male Members of Urban Sickness Societies*

	Copenhagen				Provincial Towns			
	1896		1910		1896		1910	
	Total figures	%	Total figures	%	Total figures	%	Total figures	%
Servants, Waiters at Cafes and Hotels . . . . .	1,282	4.7	766	1.1	305	3.7	2,390	4.1
			665	0.9			171	0.3
Day Labourers . . . . .	7,627	27.8	17,165	24.5	3,510	42.6	18,081	32.6
Master Artisans . . . . .	251	0.9	521	0.7	52	0.6	1,054	1.9
Workmen and Industrial Apprentices . . . . .	13,895	50.7	32,812	46.9	3,265	39.6	24,222	42.8
Dealers, other Persons of Independent Occupation .	1,330	4.8	1,984	2.8			1,137	2.0
			2,381	3.4	745	9.0	4,994	8.8
Commercial and other Employees . . . . .	3,046	11.1	2,277	3.3	371	4.5	711	1.2
			10,620	15.2			3,391	6.1
Persons without Profession or Profession Unknown .	206	—	816	1.2	8	—	372	0.7
Total . . .	27,637	100.0	70,007	100.0	8,256	100.0	56,523	100.0

TABLE II. — *Male Members of Sickness Societies in Rural Districts.*

	1896		1910	
	Total Figures	%	Total Figures	%
Evans . . . . .	5,847	11.5	44,305	22.7
Agricultural Labourers . . . . .	9,160	17.4	24,789	12.7
"Husmand" . . . . .	15,851	31.0	53,117	27.2
Persons Assimilated to the "Husmand".	3,100	6.7	8,871	4.5
Small Peasants . . . . .	—	—	4,590	2.3
Old Peasants . . . . .	305	0.6	476	0.2
Factory Hands . . . . .	1,097	2.2	1,131	0.6
Artisans . . . . .	13,221	25.9	41,761	21.4
Other Professions . . . . .	2,394	4.7	14,979	7.6
Without Professions or Profession Unknown .	82	—	1,508	0.8
	51,057	100.0	195,527	100.0

As we see, the town labourers furnish the largest contingent, at Copenhagen more than 70 % of all the members of the sickness societies and in the other towns 80 %.

The statistics of the legal charges for the year 1911-1912 are as follows:

Number of Members of Recognised Sickness Societies . . . . .	710,861
Contributions Paid by Members . . . . .	5,333,715 Crowns
State Subvention . . . . .	2,281,542 "
Cost of State Inspection . . . . .	28,000 "
Indirect Communal Subventions, Estimated at . . . . .	1,000,000 "
Communal Subventions in Money . . . . .	160,680 Crowns

The charges per person insured are:

For Members . . . . .	7.50	Crowns
For the State . . . . .	3.25	"
For the Communes . . . . .	1.63	"
Or, altogether . . . . .	12.38	Crowns

## § 3. ACCIDENT INSURANCE.

The first Danish law on accident insurance was that of January 7th, 1898. It is distinguished by the following fundamental principles.

- (1) The employer is bound to compensate the employee, either personally or by insuring him in a society he may select.
- (2) The application of the law is controlled by a Labourers' Insurance Board, consisting of an equal number of employers and employees.
- (3) The compensation given is a single amount, which is a multiple of the annual wages (six times the wages in case of total permanent disablement, and four times in case of death), the annual wages not being calculated at more than 800 crs., which is less than most of the employees concerned receive.

At first the law only applied to factory hands; three other laws have extended the principle of the professional risks to fishermen, sailors and agricultural and forestry labourers. These three laws are all essentially based on the principles of the law of January 7th, 1898.

The law of May 27th, 1908 applies to employees engaged in agriculture, horticulture and forestry. It distinguishes between holdings of a value of 6,000 crs. and those of less value. In the first case, the landowner or usufructuary is bound to insure his labourers, including the members of the family of the head of the business (with the exception of his wife), when, on account of their work in the business, they may be assimilated to the other employees and when they have completed the tenth year of their age. The law applies also to overseers, if their annual wage is less than 1,500 crs.

In the case of holdings of 6,000 crs. value or under, the landowner has the right to insure in a mutual insurance society recognised by the State, which, for its part, bears half the charge. As a rule, members (including women and children) are insured against accidents occurring in the exercise of their duties, and thus this law provides for the insurance of small independent landowners. At present about 16,000 heads of businesses are members of mutual societies recognised by the State.

The following figures for 1912 show the claims paid in accordance with the laws on accident insurance, not including the daily allowance.

	Disablement	Death
Industrial Workmen . . . . .	533,520	96,000
Fishermen . . . . .	16,992	55,800
Sailors . . . . .	39,648	47,800
Compulsorily Insured Agricultural and Forestry Labourers . . . . .	401,088	64,700
Voluntarily Insured Agricultural and Forestry Labourers . . . . .	56,232	7,500

In 1911 the State subvention to the Mutual Societies was 64,689 crs. and in 1912 it was 44,811 crs.

## § 4. UNEMPLOYMENT INSURANCE.

In Denmark the initiative in regard to unemployment insurance was taken by the workmen's syndicates, which formed unemployment societies, with which their members were obliged to register themselves.

The law of April 9th., 1907, amended by a new law of April 8th., 1914, is based mainly on the principles of that on sickness societies, that is to say, it provides for voluntary insurance with Government subventions, when the unemployment societies satisfy certain conditions laid down in the law, amongst which it is enjoined they must submit to Government inspection. The State subvention is compulsory and amounts to half the premiums paid by members. If a society forms a special fund for special allowances in case of unemployment, the State contributes, always with certain reservations, half the amount paid by the members for this special object. On their side, the communes may give financial assistance to unemployment insurance societies, but this is optional, and their subventions may not exceed one third of the members' contributions. If a society has formed a special fund to meet the case of special unemployment, the commune is bound to contribute an amount equal to one third of the members' contributions.

The unemployment insurance societies are formed exclusively for workmen on low wages. Under this head are included employees engaged in a certain trade or profession (for example, industrial or agricultural labourers, including the overseers, commercial employees, employees in offices etc.) The Minister of the Interior may also extend the application of the law to associations the members of which cannot be considered as workmen in the above sense.

The law does not define the expression "on low wages". However, it is agreed that a person cannot be considered as receiving low wages if he earns more than 10,000 crs. when married, or 5,000 crs. when single.

Since the coming into force of the law of April 9th., 1907, insurance against unemployment has made considerable progress. The number of persons insured increased from 70,000 in 1907-08 to 120,289 in 1912-13 and during the same period, the capital of the societies increased from 325,000 crs. to 2,382,000 crs.

	crs..
During the year 1912-1913, for 55 societies now recognised the contributions of the policy holders amounted to . . . . .	1,420,385
the State Subventions to . . . . .	833,436
the communal subventions to . . . . .	374,114
Total . . .	<u>2,627,935</u>

The amount of contribution per member was 11.80 crs. and that of the charges per member 21.85 crs.

### § 5. SUBVENTIONS TO WIDOWS.

In terms of the law of May 27th., 1908, the mother of an illegitimate child may, under certain conditions, and with certain restrictions, obtain the pension for her support due from the child's father through the Commissioner of Police of the district, by way of an advance. The costs entailed are borne by the commune in which the father has his residence. Similar rules apply in the case of mothers of legitimate children, whose fathers neglect their duty of supporting them.

The application of this law often led to the injustice that widows with children were often in a worse situation than mothers of illegitimate children. A law of April 29th., 1913, to remedy this, provides that all widows satisfying the conditions laid down in the law, for example, that regarding a maximum of income or property, have a right to a subvention for each child under fourteen years of age, without any limitation of civil and political rights, such as in Denmark is incurred by the receipt of public assistance. The income of the widow must not exceed  $\frac{2}{3}$  rds. of the amount, free of income tax and her property must not exceed 4,000 crs. However, the income allowed by the law is increased by 100 crs. and the property by 500 crs for each child less than 14 years of age. The subvention amounts to 100 crs per ann. and per child under 2 years of age, 80 crs. for each child between 2 and 12 years of age and 60 crs. per child between 12 and 14 years of age.

As this law only came into force on April 1st., 1914, it is not yet possible to make any positive statement with regard to its application.

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## SWITZERLAND.

### AGRICULTURAL INSURANCE IN 1913.

#### OFFICIAL SOURCE:

RAPORT DU BUREAU SUISSE DES ASSURANCES SUR LES ENTREPRISES PRIVÉES EN MATIÈRE D'ASSURANCES EN SUISSE EN 1913. (*Report of the Swiss Insurance Bureau on Private Insurance Businesses in Switzerland in 1913*). Published by order of the Swiss Federal Council of June 23rd., 1915, 28th. year. Berne, Francke, 1915.

The Federal Report on private insurance businesses working in Switzerland in 1913 has just been published. This report, which is the 28th. of the series, deals with life, accident, fire and other insurance societies and as far as agriculture is concerned, with livestock and hail insurance. In Switzerland hail insurance business is transacted solely by private societies, whilst for livestock insurance there are both private businesses and public national institutes in which in some cantons the owners are bound by law to insure their livestock. All the private societies insuring livestock or insuring against hail have the legal form of mutual societies.

We have already published in this Bulletin, in August, 1913, a summary of the federal report for the year 1911, and, in December, 1914, a summary of that for 1912. We shall here reproduce that portion of the report for 1913 that relates to agricultural insurance. Several tables, we have already given in the above mentioned numbers of this Bulletin, will be found here completed and brought up to date with the help of the figures given in the new report.

#### § I. LIVESTOCK INSURANCE.

Three mutual societies, the *Mutuelle Chevaline Suisse* of Lausanne, the *Badische Pferdeversicherungs-Anstalt a. g.* of Karlsruhe and the *Garantie fédérale* of Paris, and one society limited by shares, the *Perleberger Versicherungs-Aktien-Gesellschaft* of Perleberg (Prussia) were insuring livestock in Switzerland in 1913. The first two only insure horses, the others also insure horned cattle and sheep.

The insurance of horses and horned cattle by large private societies continues to make slow progress in Switzerland. At the end of 1913 17,573,550 frs. were assured, or 1,470,575 frs. more than in 1912. The premiums collected in Switzerland by the four societies amounted to 638,318 frs. or 2,346 frs. more than in 1912. An increase of nearly 12 % in the amount of losses as compared with 1912 is partly due to the increase of the amount assured, while, it is true, there is a corresponding increase in the premiums. And the bad quality of the cattle foods, hay and oats, since 1912 has continued to produce effects. Diseases of the organs of respiration, especially pulmonary emphysema, those of the digestive organs, and chronic lameness are still together with tuberculosis, the weakness brought on by old age, and accidents, the most frequent causes of losses. The Baden society has come to the conclusion that many cases of colic among horses are due to too sudden a change of diet when they begin to feed on newly harvested oats.

We give here the financial results for the year 1913, for each of the societies working in Switzerland:

The *Mutuelle Chevaline Suisse* paid in claims 75 % of the assured amounts, in accordance with the premium conditions, without calling for supplementary premiums. It has done so since its foundation in 1901. At the end of 1913, it was even able to place a small balance of 1,111.25 frs. to its reserve fund (964.80 frs. in 1912). In 1913 it insured 7,644 horses for 7,505,335 frs., or 367 horses and 367,455 frs. more than the year before. Its working expenses amounted to 20.7 % of the premiums collected (in 1912 20.3 %). The *Badische Pferdeversicherungs-Anstalt auf Gegenseitigkeit*, also, was able in 1913, as in the 14 preceding years, to do without calling for supplementary premiums. Whenever its balance sheet has shown a loss, it has been able to meet it by means of deductions from the reserve fund not exceeding the amount allowed in the rules. In 1913 it was able to place to the reserve fund the regulation amount of 39,439.16 frs. and closed its accounts with a credit balance of 14,444.30 frs. also placed to the same fund. The total amount assured in Switzerland by the Baden Society at the end of 1913 was 2,605,470 frs. The premiums collected and the claims paid in Switzerland during 1913 amounted respectively to 137,385 frs. and 127,260 frs. These three amounts differ little from those of the preceding year. The policies running for the principal division (members' insurance) showed at the end of the year an increase as compared with 1912 of 366 members and 475 horses insured for an amount of 752,569 frs. and altogether 1525 members, 21,956 horses and 24,336,610 frs. The proportion of the working expenses remained practically the same as in 1912. The expenses were

1909	19.5 %	} of the amount of premiums collected.
1910	19.4 %	
1911	19.8 %	
1912	19.0 %	
1913	19.4 %	

The *Perleberger Versicherung-Aktien-Gesellschaft* began in 1913 to undertake insurance of butchers' beasts in Switzerland, and paid in claims an amount in excess of that of the premiums collected. It is a society limited by shares, with fixed premiums and no supplementary contributions. Whilst in 1912, it closed its accounts with a loss, it was able to meet out of its reserve fund, the year 1913 was more favourable to it; it realised a profit of 21,290 frs., allowing of the distribution of a dividend of 4% among the shareholders.

The total amount assured by it at the end of 1913 was 379,000,000 frs.

The *Garantie fédérale* of Paris, as we know, divides its business in regard to premiums, claims, expenditure and reserve funds into as many independent sections as there are countries in which it works. Everywhere, however, those insuring with it must themselves undertake the risk of 20% of the value of the animal. In case of loss, consequently, the claim cannot exceed 80% of the value. As this is a mutual fixed premium society, and has no power to call on occasion for supplementary premiums, the claims actually paid vary considerably according to the amount of cash available. In 1913, the net amount of the claims paid, corresponded with the following percentages of the value of the animals lost:

	Horses	Horned Cattle	Sheep
—	—	—	—
In France . . . . .	72 %	80 %	80 %
» Belgium . . . . .	40.8 %	40.8 %	
» Switzerland, . . . . .	52 %	54.4 %	

As we see, there are very appreciable differences in the various countries and the whole amount of 80% assured is not very frequently paid. In Switzerland, the *Garantie fédérale* could only pay as we see, 65% and 68%, respectively for horses and horned cattle, of the maximum compensation of 80% of the value of the animal.

The working expenses of every sort are, on the other hand, very high. They were altogether,

in 1909	31.9 %	} of the amount of premiums collected.
» 1910	33 1/4 %	
» 1911	29.5 %	
» 1912	42.5 %	
» 1913	33.1 %	

The *Garantie fédérale* has begun to form a reserve fund to meet current risks. For its Swiss business, this reserve fund, which was 20,000 frs. at the beginning of 1913, was increased by 4,000 frs. in the year. In addition, an amount of 11,559.60 frs. was entered under this title for the French mut-

TABLE I. — *Subventions*

Cantons	Amount Assured	Head of Livestock Insured	Fr.s.
			Fr.s.
1. Zurich . . . . .	Large Livestock . . .	57,237,477	105,707
	Small . . . . .	1,446,998	17,050
2. Berne . . . . .	Large Livestock . . .	(1) 112,160,000	224,320
	Small . . . . .	(1) 351,900	4,740
3. Uri . . . . .		6,379,260	11,501
4. Glarus . . . . .		6,403,790	12,727
5. Fribourg . . . . .		38,379,610	72,129
6. Solothurn . . . . .	Large Livestock . . .	18,211,800	42,259
	Goats . . . . .	300,360	7,900
7. Bâle-Town . . . . .		(1) 851,500	1,703
8. Bâle-Country . . . . .	Horned Cattle . . .	(1) 8,640,000	17,280
	Goats . . . . .	(1) 21,060	585
9. Schaffhausen . . . . .	Large Livestock . . .	6,674,140	11,463
	Small . . . . .	359,115	3,591
10. Grisons . . . . .		37,149,269	72,598
11. Aargau . . . . .	Horned Cattle . . .	(1) 36,989,000	73,978
	Goats . . . . .	(1) 276,480	7,680
12. Thurgau . . . . .	Livestock over 1 1/2 years of age	(1) 27,876,000	55,752
	under 1 1/2 . . . . .	(1) 1,047,030	12,318
13. Ticino . . . . .		2,246,537	6,669
14. Vaud . . . . .		30,495,434	63,066
15. Valais . . . . .		8,314,027	26,489
16. Neuchâtel . . . . .		(1) 5,459,000	10,918
17. Geneva . . . . .		6,596,953	10,910
Total (2)	A . . . . .	(1) 411,111,127	832,087
	B . . . . .	(1) 2,755,913	40,946
General Total . . . . .		(1) 433,867,040	873,033

(1) Approximate Figures. — (2) A = Large Livestock, Horned Cattle. B = Small Livestock, Goats.

AGRICULTURAL INSURANCE IN 1913

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Stock Insurance in 1913.

Claims No.	Per Animal Lost	Cantonal Subventions		Federal Subventions Credit for 1914
		Total	Per Head of Livestock	
		Fr.s.	Fr.s.	
1,788.50	212 —	216,024.53	2.04	222,124.27
1,532.70	35 —	6,099.74	0.36	
1,000.91	155 —	224,320 —	1 —	225,148 —
1,841.59	26 —	828 —	0.20	
1,944.41	236 —	31,896.28	2.77	31,896.28
1,159.45	208 —	20,000 —	1.57	20,000 —
2,025.71	86 —	57,943.20	0.80	57,943.20
6,433.61	116 —	42,259 —	1 —	44,629 —
0,740.57	21 —	2,370 —	0.30	
6,776.25	224 —	4,923.50	2.89	4,923.50
2,083.76	86 —	17,280 —	1 —	17,514 —
726.15	16 —	234 —	0.40	
7,743.32	298 —	31,873.65	2.78	33,902.75
8,140.14	44 —	2,029.10	0.57	
4,085.39	293 —	147,507.65	2.03	147,507.65
8,089.10	79 —	73,978 —	1 —	77,795.10
7,755.72	16 —	3,817.10	0.50	
4,882.98	110 —	55,752 —	1 —	61,911 —
35,775.95	199 —	4,985.79	0.75	4,985.79
18,426.09	214 —	73,935 —	1.17	73,935 —
87,070.35	251 —	26,489 —	1 —	26,489 —
42,649.30	169 —	11,457.99	1.05	11,457.99
49,575.35	156 —	21,820 —	2 —	21,820 —
152,410.43	165.88	1,068,664.59	1.28	1,084,042.53
61,736.87	27.56	15,377.94	0.38	
314,147.30	154.77	1,084,042.53	1.24	1,084,042.53

ual business, and there was a thrift reserve fund for the same department, of 56,000 frs. These reserve funds to meet current risks are still far from sufficient to meet the losses in the part of the year insured for not taken account of in the year's accounts.

We should only give an incomplete idea of the present state of horned cattle insurance in Switzerland unless we mentioned the many societies undertaking these risks without being subject to the supervision of the Confederation. They are to be found in nearly all the cantons. We remind our readers also that when a canton or an association of owners of horned cattle declare insurance compulsory for a particular territory (commune, district or canton), the Confederation pays through the cantons subventions equal in amount to those they themselves grant to the insurance societies (Federal Law of December 22nd., 1893 on the Improvement of Agriculture by the Confederation). Subventions of this kind are paid by 17 cantons and demi-cantons. In the following table we give precise information in regard to the amount assured and the amount granted in subventions in these cantons, reproduced from the report of the Federal Department of Commerce, Industry and Agriculture for 1914. In the case of the cantons for which this report did not show the amount assured, approximate figures are given, based on the average of the other cantons. The average value of a head of large livestock has been fixed at 500 frs., that of a head of small livestock at 85 frs. and that of a goat at 36 frs. From this table it appears that in 1913 the policies running represented the following amounts:

(a) Large Livestock . . . . .	frs. 411,127,127
(b) Small Livestock and Goats . . . . .	2,755,913
Total . . . frs. 413,867,040	

The cantons have paid an average subsidy of 1.28 fr. per head of large livestock assured and 0.38 fr. per head of small livestock or per goat, giving an average of 1.24 fr. per animal of any kind. The Confederation, for its part, has paid the same amounts.

## § 2. HAIL INSURANCE.

During the year 1913 two mutual societies undertook hail risks in Switzerland, the same two that is that have long been engaged in the business there, the *Société suisse d'assurance contre la grêle* at Zurich and the *Parâgrêle* at Neuchâtel. Of these two, the former works in every part of

Swiss territory undertaking all hail risks of every kind; the second only is in the canton of Neuchâtel and only insures vineyards.

In regard to hail, 1913 was a more disastrous year than 1912; many times, some of them violent, devastated different parts of Switzerland. August 29th, especially a heavy fall of hail in nearly all the vineyard district of Neuchâtel almost completely destroyed the last hopes of a large number of vinegrowers, already severely tried by a series of bad seasons. I put the local *Paragrèle* Society to severe proof. This shows once more how unreasonable and dangerous it is for a hail insurance society to limit its business to a small district and only insure a single crop. The *Société suisse d'assurance contre la grêle* reports no less than 60 days of hail, with 15 declarations of losses (against 44 days and 5,816 declarations in 1912).

The Annals of the Central Swiss Meteorological Establishment for 1913 report 34 days with heavy falls of hail affecting 806 communes and 11 districts, without counting local storms affecting only one or two communes at a time. We give below the dates of the heaviest falls of hail and the number of communes that suffered:

May	17th	57	communes
"	31st	85	"
July	22nd	53	"
"	27th	54	"
September	1st	93	"
"	14th	91	"

The financial results of the two societies are very different. The *Société suisse* has, in spite of all, owing to the extent of the territory in which it works and a judicious distribution of risks, realised a credit balance of 47,993 frs., 40,000 frs. of which were placed to the working capital and 207,993 frs. to the reserve fund. At the end of 1913 it had thus a reserve fund of 3,832,510 frs., with which it will be able successfully to set losses through storms, for it represents more than 3  $\frac{1}{2}$  times the average amount of premiums collected in the last 10 years. On the other hand, the *Paragrèle* was obliged to call for a supplementary premium of 60% of the original premium and to use half its reserve fund to cover its losses. This reserve fund, which had already suffered a serious loss in 1911 (93,000 frs.), which was, however, partly made up for in 1912 (by means of a profit of 10,000 frs.), was reduced to the amount of 66,750 frs. at the end of the 1913 season. In view of the limited field of the operations of this little society and the danger due to the situation and exposure of the Neuchâtel vineyards, the whole area of which is liable to suffer by a single hail storm, the *Paragrèle* may more than ever expect that the results of its working will be uncertain. But, since the general meeting of members in December, 1912 decided unanimously, except for one vote, with an optimism deserving of

attention, to maintain the *Paragrèle*, and the meeting of 1913 again rejected by a large majority, in spite of the new reverses, a proposal to consider the question of the dissolution of the society, we must believe that the Neuchâtel vinegrowers are satisfied with the results. Let us again remark so as to avoid any confusion on the subject of the accounts of the society that the credit balance of 515.45 frs. shown in its profit and loss account was arrived at after the supplementary premiums and the deduction from the reserve fund had been placed to the revenue account.

We give below some interesting figures for 1913 and the corresponding amounts for 1912.

(a) *Société suisse*:

	<u>1912</u>	<u>1913</u>
1. Number of Policies . . . . .	65,361	63,407
2. Assured Amount . . . . . frs.	79,857,960	frs. 71,173,120
3. Premiums Collected . . . . »	1,353,784	» 1,049,824
4. Claims Paid . . . . . »	650,841	» 781,685

(b) *Paragrèle*:

1. Number of Policies . . . . .	604	571
2. Assured Amount . . . . . frs.	661,384	frs. 599,676
3. Premiums Collected. . . . »	39,807	» 57,611 (1)
4. Claims Paid . . . . . »	3,786	» 120,368

We may observe in the case of both societies a decrease in the amount of the policies and of the capital assured. This decrease is due, above all as far as vines and fruit trees are concerned, to the destructive frosts of the spring of 1913. The claims paid amount, in the case of the *Société suisse*, to 1.1 % of the amounts assured (against 0.8 % in 1912), and in the case of the *Paragrèle* to 20.1 % of the amounts assured (against 0.6 % in 1912).

The expenditure also shows an increase in comparison with 1912. It amounted to 17.3 % of the premiums (against 14.6 % in 1912) in the case of the *Société suisse*. In that of the *Paragrèle* it could be reckoned at 11.1 % of the total premiums, but it must not be forgotten that the figure 57,611 frs. for premiums collected is made up, as we have already previously observed of 36,023 frs. original premiums and 21,588 frs. supplementary premiums. The expenditure represents 17.8 % of the original premiums considered by themselves.

(1) Of this 21,588 frs. were supplementary premiums.

Let us remember in conclusion that the Confederation and the Cantons may come to the help of the hail insurance societies with subventions. These subsidies are granted in accordance with the provisions of the national laws and the federal law of December 22nd., 1893 on Improvement of Agriculture by the Confederation. The Cantons that grant subventions are 21 in number. Only Uri, Glarus, Ticino and the Grisons grant no subsidies and thus prevent their farmers from benefiting by the federal subventions for hail insurance. All the other Cantons make themselves responsible for a proportion of the premiums and the cost of the policies (from 15 % to 40 %). The Confederation, on its side, refunds these Cantons the half of their expenditure.

We reproduce below the table given in the Report of the Work of the Federal Department of Commerce, Industry and Agriculture for 1913. This table gives precise information in regard to the assistance given in 1913 by the Confederation and the Cantons to the hail insurance societies.

TABLE II.

Cantons	Policies	Amount
1. Zurich . . . . .	4,910	3,988
2. Berne . . . . .	13,868	19,022
3. Lucerne . . . . .	5,450	11,299
4. Schwyz . . . . .	874	1,409
5. Obwald . . . . .	324	240
6. Nidwald . . . . .	413	354
7. Zug . . . . .	852	1,645
8. Fribourg . . . . .	1,832	2,545
9. Solothurn . . . . .	4,693	3,957
10. Bâle-City . . . . .	40	100 <sup>1</sup>
11. Bâle-Country . . . . .	2,691	1,771 <sup>1</sup>
12. Schaffhausen . . . . .	2,474	1,582 <sup>1</sup>
13. Appenzell R. E. . . . .	727	926 <sup>1</sup>
14. Appenzell R. I. . . . .	106	203 <sup>1</sup>
15. St. Gall . . . . .	3,193	3,577 <sup>1</sup>
16. Aargau . . . . .	11,527	6,600 <sup>1</sup>
17. Thurgau . . . . .	3,544	2,749 <sup>1</sup>
18. Vaud . . . . .	3,816	5,870 <sup>1</sup>
19. Valais . . . . .	78	45 <sup>1</sup>
20. Neuchâtel . . . . .	1,310	1,499 <sup>1</sup>
21. Geneva . . . . .	686	1,608 <sup>1</sup>
Total 1913 . . . . .	63,408	71,791 <sup>1</sup>
* 1912 . . . . .	65,421	80,495 <sup>1</sup>
» 1911 . . . . .	61,991	72,036 <sup>1</sup>
* 1910 . . . . .	60,597	67,981 <sup>1</sup>

\* \*

Figures have already been given in this Bulletin in the VIth. Table<sup>30</sup> accompanying the article by Dr. G. Rocca on the *Development of Agriculture*.

in 1913.

Years	Cantonal Expenditure			Federal Subventions Fr.	
	a. Cost of policies		b. Premiums Fr.		
	Fr.	Fr.			
1913.50	9,896.10	17,730.24	27,626.34	13,813.17	
1908.00	35,441.00	50,999.54	86,440.54	43,220.27	
1915.10	12,296.50	31,129.02	43,425.52	21,712.76	
1910.70	1,654.60	6,261.21	7,915.81	3,957.90	
1910.40	588.60	955.28	1,543.88	771.94	
1910.10	777.20	1,465.22	2,242.42	1,121.21	
1915.50	2,110.50	7,837.65	9,948.15	4,971.08	
1910.10	3,501.60	6,046.02	9,547.62	4,773.81	
1912.90	8,640.70	9,936.48	18,577.18	9,288.59	
1902.40	80.00	560.96	640.96	320.48	
1911.50	5,230.90	7,456.18	12,687.08	6,313.54	
1912.80	4,346.60	8,845.66	13,192.26	6,506.13	
1916.10	1,370.80	3,366.51	4,737.31	2,368.66	
1905.70	106.00	329.35	435.35	217.68	
1912.60	7,549.20	7,312.52	14,861.72	7,445.86	
1912.20	20,818.40	12,622.65	33,441.05	16,720.53	
1918.30	6,259.60	8,789.16	15,048.76	7,524.38	
1913.50	10,844.40	45,069.17	55,913.57	27,950.79	
1910.50	211.80	636.15	847.95	423.08	
1901.65	540.66	25,192.66	25,733.32	12,866.66	
1908.00	1,565.40	46,019.30	48,484.70	24,242.35	
1,392.25	133,830.56	299,490.93	433,321.49	216,660.77	
1,989.65	129,404.74	393,386.89	522,791.63	261,395.78	
1,585.02	123,241.51	341,579.36	464,820.87	232,410.39	
1,361.35	118,897.25	270,339.35	380,236.60	194,618.27	

*Insurance in Recent Years* (Switzerland) in the 12th. number for our Vth. Year, December, 1914, showing the results obtained by the Société Suisse d'assurance contre la grêle from its foundation (1880) up to 1912.

We shall now give the total results for that period (1880-1912), the results obtained in 1913, and the complete figures for the period 1880-1913.

TABLE III. — *Results Obtained by the Société suisse d'assurance contre la grêle since its Foundation, 1st. Profit and Loss Accounts from 1880 to 1913.*

Years	Revenue			Expenditure				
	Premiums	Net Supplementary Premiums	Other Revenue (Interest on Capital etc.)	Total Revenue	Claims Paid	Working Expenses and Taxes	Profits	Losses
Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	
1880-1912	18,737,712.64	490,712.80	1,533,932.10	20,752,377.54	13,971,584.23	3,116,277.19	4,444,010.24	796,494.12
1913	1,049,833.70	—	158,110.25	1,207,933.95	781,684.70	178,255.79	247,093.46	—
1880-1913 Total	19,787,536.34	490,712.80	1,692,062.35	21,970,311.49	14,753,268.93	3,294,532.98	4,692,003.70	796,494.12
					Percentage of Premiums 72.8	Percentage of Premiums 16.2	Profits Frs. 3,992,509.38	
								*

2nd. Proportion of the Items of Revenue and Expenditure to the Amounts Assured.

Years	Revenue			Expenditure			Proportion of Revenue and Expenditure to the Amounts Assured		
	Policies	Amounts	Supplementary Premiums	Other Revenue	Total	Claims Paid	Working Expenses and Taxes	Profits	Losses
Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.
1880-1912	1,070,127	1,061,898.00	0.77	0.05	0.14	1.96	0.29	0.42	0.07
1913	63,107	71,173.20	1.47	—	0.22	1.70	0.25	0.35	—
1880-1913 Total	1,133,534	1,133,071.41	1.75	0.04	0.15	1.94	0.20	0.45	0.07

## Part III: Credit

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### GERMANY.

EASURES TAKEN OR PROPOSED BY THE PRUSSIAN LAND-SCHAFTEN FOR THE EXTENSION OF THEIR MORTGAGE CREDIT TO PEASANT HOLDINGS. (*Continued*). (1)

by Dr. R. LEWECK,

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#### § 5. NEW CREDIT INSTITUTE FOR BRANDENBURG.

The New Credit Institute for Brandenburg was founded in 1869 for holdings excluded from the benefits of the Land Credit Association for the Nobles' Estates of Kur- and Neumark. To receive credit from the latter association, a noble's estate must have a minimum value of 18,000 mks, whilst the minimum value for other estates is 60,000 mks. Whilst the former Institute grants credit for nobles' estates and large landed estates, at more recently founded was intended to assist holdings of medium and small holdings, especially peasants' holdings.

The minimum value of the holding on which mortgage could be passed is at first a net yield of 50 thalers, as estimated for the purposes of the land tax; in 1890 the minimum was reduced to 100 marks.

For the benefit of small holdings a further reduction was made, first in 1897 to 75 marks and then in 1911 to 50 mks., with the general provision

(1) See the number of this Bulletin for August, 1915.

that 5 ha. utilised for farming would, in any case, justify a mortgage. In the condition, until then necessary, that the holding must suffice for the support of the owner, was set aside. Further, in fixing the limits of the mortgage, account was taken of the conditions of small holdings. As a rule, the amount of the loan granted is in proportion to the land tax assessment; however, under certain conditions it may be fixed in accordance with the rate of valuation adopted in the case of nobles' estates (*Bonitierungstaxe*), and more particularly, in the case of holdings the revenue from which for purposes of the land tax is calculated at 1,500 marks or more, the choice left to the landowner; and, when this revenue is less than 1,500 marks, but not less than 900 mks., the matter is decided by the Chief Management of Noble's Estates (*Haupt-Ritterschafts-Direktion*). In determining the value, the net yield calculated in the same way is taken and to it is added an amount equal to ten times the value in use of the dwelling houses (*Wohngebäudenutzungsverh.*). The net yield for purposes of the land tax must generally be multiplied by 35. In 1890 this coefficient was fixed at 50 in the case of holdings the net revenue from which for purposes of the land tax was less than 900 marks, when the land tax assessment was notoriously lower than the conditions would warrant; but at the same time it was decided not to take account of the value in use of the buildings. In 1905, this value in use of buildings was again taken into account, which was specially an advantage for small holdings. On small holdings, especially in the neighbourhood of towns, the existence of important buildings may have a really excessive influence when the amount of the mortgage on the entire holding has to be fixed; this difficulty was overcome by establishing a total value in use for the buildings. In the great Reform of the principles of valuation based on the labours of Prof. Dr. AERERODE, in the Regulations of February 27th., 1910, and April 27th., 1914, account was taken of the size of the farm, and especially of the particular conditions of small holdings. The necessity was recognised of a valuation on the basis of the land tax, rather than on that of the *Bonitierungstaxe*, as the first method, besides giving a more general value, presents the great advantage of greater promptness and facility in the grant of credit, and avoids too considerable expense, which is a condition indispensable for small holdings, in the case of which, as a rule, too high estimation cannot be taken into consideration. On the other hand, experience shows that the procedure formerly followed, as a rule, of fixing the taxable value by means of a single invariable multiplier could not satisfy the just requirements of small holdings. This circumstance, and the evident necessity for small landed property that the system of valuation on the basis of the land tax should be preserved, have made it advisable to revise the system further and indicated the lines to be followed in this revision. For similar reasons also the principles of estimation which form a necessary complement to the provisions respecting valuation on the basis of the land tax have also been revised.

In both cases a new rule has been established, in accordance with which the estimated value of the security, two thirds of which at most may be lent, is not fixed first, but instead the amount of the loan that may be granted

the security of *lettres de gage* is directly established. After the land tax is been established, it is possible to calculate with sufficient precision any modifications in the value of the holding. These modifications vary with the size of the holding. Thus the increase in value after the date at which the land tax is fixed is far more considerable in the case of small holdings; especially those less than 10 ha. in area have increased very considerably in value. Whence it follows, that if we wish to fix the value of a holding on the basis of the net revenue as calculated for the purposes of the land tax, the amount of this revenue must be multiplied by a coefficient which must be larger in proportion as the holdings considered are smaller. Consequently, the scale of co-efficients to be used in fixing the amount of the loans has been made out in proportion to the advantage enjoyed by the small holdings. Another fact by which small holdings benefit, is that the buildings are now valued at a far higher rate than formerly; and it is evident that on small farms the buildings represent a far higher proportion of the total value than on large. When the amount of the loan on *lettres de gage* has been fixed, account is taken of all the buildings serving as dwelling places and utilised for the purposes of the farm, provided their value has been estimated by a public insurance institute; and in this case the value of the buildings may be taken as one fourth of the total value of the holding. Even in the rules regulating the estimation of the value of holdings, the question of the importance of the size of the holding for the determination of the value was settled entirely in favour of small holdings. Dr. AEREBØF (1), by means of minute and careful research, has shown the differences in value of the mere soil in the case of large and small holdings, as well as the proportional value per hectare including the stock for small and large holdings, respectively, and also the superiority of small holdings, even in respect to possible yield (*Rentabilität*). It follows that the coefficients for the valuation of holdings vary in accordance with the area, and are highest for farms of not more than 15 ha. Also, the additional estimates for ponds systematically maintained, sheets of water and scientific organisation of meadows, vary with the area of the holdings and are highest for small holdings. Similar principles are followed in determining the value of the buildings for the purpose of establishing the amount of the loans to be obtained on *lettres de gage*; so that the smaller the holding, the higher will be the value of the capital invested in buildings in relation to the total value; it may be observed in this connection that the possibility contemplated in the rules for credit that the value of the buildings may be 50 % of the amount serving as basis for the grant of the loan is in itself all to the advantage of small holdings.

The rates to be paid for the establishment of the amount of the loan were fixed in accordance with the amount lent, no account being taken of the actual expenses of the Institute, so that for small loans, up to 1,500, 3,000, or 4,000 mks. etc., the rates should not exceed 10, 15 and 20 mks. respectively.

(1) Prof. Dr. AEREBØF: *Die Taxation von Landgütern und Grundstücken*. Berlin, 1912.

With the object of encouraging small landowners to have recourse to credit, the Provincial Boards of Management of the Nobles' Estates (Provinzial-Ritterschafts-Direktionen), administrative organisations of the Credit Institute, and in particular also the Commissioners, are exerting an important action, sometimes through the medium of the agricultural associations and the local press. These authorities are doing their utmost that the utility and the aims of the Institute may be fully understood, and for this purpose they distribute and circulate the leaflets published by the "Hauptritterschafts-Direktion": "General Account of the Objects of the New Brandenburg Credit Institute" and "Collection of the Provisions most directly concerning Holdings, extracted from the Rules of the New Brandenburg Credit Institute," which may be studied with advantage for information on the matter. To encourage all this work, the provincial boards of agriculture have been authorized to cease taking advances in money for the costs of estimation. To meet this expense, as well as any other involved in the business, the landowner may obtain a simple advance of 3 % of the amount of the loan to be made, to be repaid in regular instalments.

The following tables give an idea of the work of the New Brandenburg Institute, in relation to the grant of credit to farmers. They show an increase in the number of holdings mortgaged and the amounts lent (Table I), while the business of the Nobles' Estates Institute, in comparison, apart from slight fluctuations, has remained stationary; and again we find (Table III) an increase in the amount of small loans as compared with those for more than 100,000 marks. We may observe further in Table II the higher percentage of the amount of the loans, and even more of the mortgaged holdings, for the classes of an area not exceeding 20 ha. and between 20 and 50 ha., and that this percentage is continually increasing, whilst the percentage for the classes of area between 50 and 100 ha. and exceeding 100 ha. remain unvaried, except for slight fluctuations. It further deserves to be said that small holdings (of not more than 20 ha.) have more promptly applied for credit and for larger amounts from the New Brandenburg Institute, than, for example, from the East Prussia Landschaft, where very active propaganda was first needed.

TABLE I. — *New Brandenburg Credit Institute. — Holdings Mortgaged and Amount of Loans.*

Year	Number of Holdings Mortgaged			Amount of Loans			Total Marks	
	New Brandenburg Credit Institute	Credit Institute for Nobles' Estates of Kur- and Neumark	Total	New Brandenburg Credit Institute	Credit Institute for Nobles' Estates for Kur- and Neumark			
96 . . .	7,348	1,027	8,375	114,496,000	197,404,160	311,900,160		
01 . . .	9,249	988	10,237	133,764,650	192,809,340	326,573,990		
04 . . .	9,760	962	10,722	139,828,950	191,824,260	331,653,210		
07 . . .	10,071	944	11,015	141,475,350	191,171,310	332,646,660		
09 . . .	10,241	923	11,161	142,820,650	186,888,680	329,708,730		
12 . . .	10,444	877	11,231	146,202,400	180,807,920	327,010,320		
14 . . .	10,578	873	11,451	153,714,850	188,867,870	342,582,720		

TABLE II. — *New Brandenburg Credit*

Year	Not Exceeding 20 ha.				Between 20 and 50 ha.			
	Number of Holdings	Amount of Loans Mks.	Percentage of		Number of Holdings	Amount of Loans Mks.	Total Amount of Holdings	
			Total Number of Holdings	Total Amount of Loans				
1896 . . .								
1901 . . .								
1904 . . .	3,591	23,787,950	36.8	17.0	3,965	47,841,750	40.6	
1907 . . .	3,707	24,976,550	36.8	17.7	4,133	49,011,850	41.3	
1909 . . .	3,797	25,429,500	37.1	17.8	4,210	50,345,150	41.1	
1912 . . .	3,960	26,942,700	37.9	18.4	4,283	51,954,600	41.0	
1914 . . .	4,008	27,742,100	37.9	18.1	4,367	54,665,700	41.3	

TABLE III. — *Classification of New Brandenburg Credit Institute Loans, according to Amount.*

Year	Not Exceeding 10,000 Mks.	Between 10,000 Mks. and 50,000 Mks.	Between 50,000 Mks. and 100,000 Mks.	Exceeding 100,000 Mks.
1907 . . . . .	5,752	3,990	248	81
1909 . . . . .	5,877	4,046	242	76
1912 . . . . .	6,027	4,122	222	73
1914 . . . . .	6,021	4,228	255	74

## § 6. NEW POMERANIAN LANDSCHAFT.

On August 9th., 1871, the Pomeranian Land Credit Association, an institute of credit for small holdings, was founded and in 1895 it received the name it still goes by: "New Pomeranian Landschaft for Small Holdings".

The limit of value of the small holdings for which this Institute was founded is determined by the value of the holdings that may receive credit from the Pomeranian Landschaft in accordance with its rules, that

## of Mortgaged Holdings According to Area.

Between 50 and 100 ha.			Exceeding 100 ha.			
Amount of Loans Mks.	Percentage of		Number of Holdings	Amount of Loans Mks.	Percentage of	
	Total Number of Holdings	Total Amount of Loans			Total Number of Holdings	Total Amount of Loans
35,718,350	17.7	25.6	475	32,480,900	4.9	23.2
36,885,850	17.6	26.1	464	30,601,100	4.6	21.6
37,318,750	17.5	26.1	444	29,727,250	4.3	20.8
87,689,300	17.1	25.8	415	29,615,800	4.0	20.3
40,086,250	16.9	26.1	414	31,220,800	3.9	20.3

to say the Nobles' Estates of Pomerania, and holdings in New Pomerania and Rügen, with net yield as calculated in accordance with the land tax respectively at 1,500 and 3,000 marks. The holdings which may receive credit on *lettres de gage* from the Pomeranian Land Credit Association are those the net yield from which calculated in accordance with the land tax is at least 100 marks, and, since 1895, 60 marks. By way of exception, the General Management of the Landschaft may also give credit to holdings the net yield from which is less than 60 mks.

New provisions aim at raising the valuation of the holdings and the amount of the loans, while they reduce the expense. The use of the coefficient 45 as multiplier of the net yield as based on the income tax was allowed in 1895 in the case of holdings the net yield of which is 600 mks. instead of 1,500 as before required; and the supplement which may be added in consequence of permanent favourable conditions, to the value of the holding, was raised to from 5 to 50 %, while before it was fixed at from 5 to 15 %. In the case of all holdings valuation on the basis of the soil (*Grundlaxe*), in accordance with which the area is valued according to the class of crops and the quality of the soil, a method which is called *Tarifaxe*, is admitted.

In fixing the supplementary value to be allowed for the two classes of valuation (that on the basis of the land tax and that on the basis of the value of the soil), according to the regulations published in 1911-12, due special account is taken of the needs of small holdings. The maximum supplement for valuation on the basis of the land tax is 60 % and in the

other case 25 %, if the area is not more or very little more than 100 ha., otherwise it is 10 % at most. Further, in both systems of valuation in the case of holdings of not more than 100 ha., or very little more than 100 ha., a special supplement is allowed for buildings graduated on a scale diminishing for every 10 hectares of the area of the holding, from 50 % for holdings up to 50 hectares to 25 % for those above 90 ha.

Without any valuation or any deduction of claims, the amount of the loan may be raised by the Departmental Management to 15 times the amount of the net yield as based on the land tax and 20 times the same sum, if the General Management approves.

Farms may receive credit in the same proportion even if they have no buildings or livestock and even if they are situated in urban districts. If the net yield does not exceed 1,500 marks they will not have to pay charges for the work of valuation carried out on either system. If these conditions are not satisfied, the costs will only be paid *in full* when the net yield calculated for the land tax exceeds 1,500 mks. If the amount of the net yield is between 1,000 and 1,500 mks., the maximum amount to be paid is fixed at 50 marks and if the yield is less than 1,000 mks. at 25 marks. The presentation of a certified extract from the cadastre ceased to be necessary in 1898; a simple copy is enough; however, the management reserves the right of demanding that it be certified.

To facilitate valuations and loans, it is provided that applications for valuation may be addressed not only to the departmental management but also to confidential agents expressly appointed for each district, and, in exceptional cases, private mortgages, the rights reserved by relations and other charges on the holding, of temporary nature, may provisionally continue to appear in the cadastre before the *lettres de gage*, provided that a sum corresponding to the *lettres de gage* issued is deposited with the Landschaft until the above charges are extinguished. The work done by the New Pomeranian Landschaft for small holdings was up to 1895 quite insignificant. Since then the number of holdings mortgaged to the new Institute has exceeded that of those mortgaged to the Pomeranian Landschaft.

The amount of the *lettres de gage* issued also has increased without ceasing and this increase was above all great in the years 1896-1901 (Table IV). The small holdings of not more than 20 ha., and those between 20 and 50 ha. in area receive most loans, and the proportion goes on increasing (Table V); one third of the total amount of the loans is represented by small credits (up to 10,000 marks).

TABLE IV. — *Total Amount of Loans.*

Year	Number of Holdings of the New Pomeranian Landschaft	Number of Holdings of the Pomeranian Landschaft	Total	Amount of Loans of the	Amount of Loans of the	Total
				New Pomeranian Landschaft Mks.	Pomeranian Landschaft Mks.	
1896	252	1,512	1,764	6,295,150	228,414,125	234,709,675
1901	724	1,482	2,209	15,135,200	237,059,825	252,195,025
1904	1,081	1,470	2,551	22,740,750	245,678,025	268,418,775
1907	1,292	1,468	2,760	27,313,900	257,871,175	285,185,075
1909	1,295	1,423	2,718	27,666,800	256,890,425	284,557,225
1912	1,320	1,278	2,598	27,994,700	263,245,225	291,239,925
1914	1,338	1,265	2,603	29,448,800	268,912,950	298,361,750

TABLE V. — *Distribution of the Number of Loans Granted*

Year	Not Exceeding 20 ha.				Between 20 and 50 ha.		
	Number of Holdings	Amount of Loans Mks.	Percentage of		Number of Holdings	Amount of Loans Mks.	Percent
			Total Number of Holdings	Total Amount of Loans			
1905	239	1,545,350	21.7	6.5	450	6,757,800	40.7
1914	308	—	23.0	—	563	—	41.1

TABLE VI. — *Distribution of Loans, according to Amount*

Year	Up to	Between	Between	Exceeding
	10,000 Mks.	10,000 Mks. and 50,000 Mks.	50,000 Mks. and 100,000 Mks.	100,000 Mks.
1914 . . . . .	444	752	101	23

## § 7. POSEN LANDSCHAFT.

Agricultural Credit was extended to small holdings (or peasant holdings), as a result of the amendment of the Rules made on April 28th, 1879, by which peasant landowners, holding land valued at less than 6,000 mks. were granted a right to participate in the *New Agricultural Credit Association*, whilst up to then the minimum value required for the purpose was not less than 5,000 thalers.

The *New Agricultural Credit Association* in 1885 assumed the name of the "Posen Landschaft."

The minimum value of a holding entitled to receive credit was fixed at 4,000 marks in 1884, and at 3,000 marks in 1896. This last value, it is reckoned, corresponds with that of a holding on the produce of which the farmer can live.

*Posenian Landschaft, according to the Area of the Holdings.*

Amount of Loans Mks.	Between 50 and 100 ha.			Exceeding 100 ha.			
	Percentage of		Number of Holdings	Amount of Loans Mks.	Percentage of		
	Total Amount of Holdings	Total Amount of Loans			Total Number of Holdings	Total Amount of Loans	
7,187,000	24.8	30.4	141	8,173,050	12.8	34.6	
—	24.0	—	147	—	10.9	—	

The entrance fees and the charges on the business operations were much reduced in 1896, in favour of small holdings.

For the valuation of holdings, in accordance with the rules for valuation of March 9th., 1902, account is taken of the interests of small holdings. These Rules provide that for holdings the value of which does not exceed 9,000 marks, the estimate must include not only buildings in masonry, but also those built with mortar of loam and straw with fireproof roofs. Much complaint had been made before this date that buildings in masonry were alone taken into account in the estimates. Small holdings have also been considerably favoured by the provisions of the Order of March 28th., 1907, regulating the value of the holdings, and providing that the estimated value should represent for all holdings the fourth of the total value of the fields and meadows; in addition, the limitation in regard to the buildings on small holdings (which had to be massive constructions and buildings in mortar of loam and straw with fireproof roofs) was removed at the same time. Finally the amount of the capital in land was increased by 20 % roughly speaking, which also means an increase in the supplements established as percentage of the capital.

The work of the Posen Landschaft is shown in the following tables (Tables VII, VIII and IX). The fact that the number of holdings mortgaged with an estimated value of less than 15,000 marks is increasing, and that such holdings represent more than half the total number of holdings (Table VIII), indicates the degree in which small holdings have shared in the loans since 1896. Even the number of small holdings up to 20 ha. in area, and between 20 and 50 ha. in area has increased both absolutely and in proportion (Table IX).

TABLE VII. — *Total Loans.*

Year	Number of Holdings	Loans Granted
1896 . . . . .	6,528	261,450,400
1901 . . . . .	6,643	277,478,000
1904 . . . . .	7,311	302,755,000
1907 . . . . .	7,553	335,786,300
1909 . . . . .	8,316	359,371,800
1911 . . . . .	8,958	384,190,600
1913 . . . . .	9,828	415,708,400

TABLE VIII. — *Distribution of Loans among Holdings of Estimated Value respectively below and above 15,000 marks.*

Year	Holdings the Estimated Value of which is less than 15,000 Mks.					Holdings the Estimated Value of which exceeds 15,000 Mks.				
	Number of Hold- ings	Amount of Loans Mks.	Percentage of Total Number of Hold- ings	Total Amount of Loans Mks.	Number of Hold- ings	Amount of Loans Mks.	Percentage of Total Number of Hold- ings	Total Amount of Loans Mks.		
								Total Number of Hold- ings	Total Amount of Loans Mks.	
1896 . . . . .	3,461	—	50.0	—	2,067	—	47.0	—		
1901 . . . . .	3,504	—	53.7	—	3,079	—	46.3	—		
1904 . . . . .	3,957	—	54.1	—	3,354	—	45.9	—		
1907 . . . . .	4,056	21,578,000	53.7	6.4	3,497	314,208,300	46.3	93.8		
1909 . . . . .	4,608	23,577,500	55.4	6.6	3,708	335,749,300	44.5	93.4		
1911 . . . . .	4,990	25,867,500	55.7	6.7	3,968	358,323,400	44.3	93.3		
1913 . . . . .	5,449	28,629,000	55.4	6.9	4,379	387,079,400	44.5	93.1		

TABLE IX. — *Distribution of Loans according to the Area of the Holdings.*

Year	Holdings not Exceeding 20 ha. in area	Percentage of total Holdings Mortgaged	Holdings between 20 and 50 ha.	Percentage of total Holdings Mortgaged	Holdings between 50 and 100 ha.	Percentage of total Holdings Mortgaged	Holdings Exceeding 100 ha. in area	Percentage of total Holdings Mortgaged
186 . . . .	2,170	33.2	2,400	36.8	640	9.8	1,318	20.2
1874 . . . .	2,384	33.4	2,637	37.0	694	9.7	1,415	19.9
1873 . . . .	3,590	36.5	3,880	39.5	955	9.7	1,403	14.3

## § 8. LANDSCHAFT OF THE PROVINCE OF SAXONY.

The Credit Institute approved by the Sovereign on May 30th., 1864 under the name of "Landschaftliches Kreditverband der Provinz Sachsen," assumed in 1888 a legal and public character as the Landschaft of the Province of Saxony, open to all owners of agricultural or forest land in the Province, the yield of which as calculated for the land tax is not less than 50 halers. The limit fixed for the purposes of the loan was reduced in 1896 to 90 marks net yield, on the supposition that in this way all holdings on the produce of which a family could live might in future receive credit from the Landschaft. As this no longer corresponds with existing conditions on account of the further development of quite small holdings, in 1913 it was provided that the board of management shall have power to grant loans on and the net yield of which as estimated for the land tax is less than 90 marks, provided the produce of the farm suffices for the support of a family. In this way credit has been extended to the smallest holdings.

In 1896 several facilities were granted for the valuation of small holdings, at the same time permitting of an increase of the estimates. Up to that date, an agricultural estimate of the holdings was always required, when the loan amounted to more than 20 times the net yield. In 1896 the Board of Management received power to grant loans on *lettres de gage*, without formal estimate for amounts of not more than 24 times the net yield, if this yield were not more than 1,000 mks., and not more than 30 times the net yield, when the latter did not exceed 500 mks. This process is called "*formlose Abschätzung*" or estimation without formality. The above maxima were raised in 1911 to 2,000 and 1,000 mks. respectively and in 1913 to 3,000 and 2,000 mks. respectively. Already in 1895 the Valuation Commissioner was authorized himself to make the estimate, in the case of quite small holdings; when the net yield exceeded 1,000 marks he had to be assisted by two ex-

perts. Since 1913, with the object of reducing the costs of the loan transactions, the employment of experts was further limited. For estimates on which the land tax is fixed, experts are only required when the Valuation Commissioner or the Board of Management consider their collaboration necessary; however, in the case of the estimates fixed in 1909, based on the *Bonitierungstage*, their collaboration may be limited to the case of holdings of more than 100 ha. of fields, meadows or gardens, with more than 100 ha. of forest land, the net yield from which as calculated for the land tax does not exceed 4,000 mks. In 1903, it was decided that buildings were to be considered as to some degree security for the loans, which was above all an advantage for small holdings. For this purpose, henceforth, the buildings, whether dwelling houses or others, belonging to a holding might be taken into consideration for the fourth part of the insurance value assigned to them by a public fire insurance society; but the amount lent could never exceed three times the net yield and the total loan could not exceed 33 times the net yield.

Since 1913 the supplementary loan may be six times instead of three times the net yield calculated for purposes of the land tax, provided it never exceeds the fourth part of the amount for which the buildings are assured.

In the case of "*formlose Abschätzung*" of holdings, the net yield of which is less than 500 marks, and under certain definite conditions, the inspection of the building may be dispensed with.

To facilitate operations, the expenses of valuation have been greatly reduced. Thus, in 1913, the minimum amount of expenditure required for a *Bonitierungstage* was reduced from 100 to 50 mks. The charges are therefore really, in the case of small and medium sized holdings, in the majority of instances, less than the real costs.

The Landschaft of the Province of Saxony has therefore not been specially founded for the benefit of large holdings. The organization of its loans, as seen in the following tables, clearly indicates that it is with the small and medium sized holdings that this Institute has from the start conducted most of its credit business. There has been a continual increase in the amount of credit granted to holdings not exceeding 20 ha. in area and between 20 and 50 ha. in area, whilst in the case of holdings more than 100 ha. in area there has been relatively a notable decrease (Table XI).

TABLE X. — *Total Loans.*

Years	Number of Loans on Lettres de gage			Amount of Loans Mks
	Holdings	Nobles' Estates	Total	
1896 . . . . .	1,143	235	1,378	89,616,575
1901 . . . . .	1,529	268	1,797	107,773,125
1904 . . . . .	1,819	306	3,125	132,212,925
1907 . . . . .	about 2,183	about 330	2,513	158,151,575
1909 . . . . .	" 2,384	" 350	2,734	172,602,525
1912 . . . . .	" 2,817	" 385	3,202	227,996,825
1913 . . . . .	2,927	411	3,338	244,347,475

TABLE XI. — *Distribution of Loans, According to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percent- age of all Hold- ings Mort- gaged	Holdings	Percent- age of all Hold- ings Mort- gaged	Holdings	Percent- age of all Hold- ings Mort- gaged	Holdings	Percent- age of all Hold- ings Mort- gaged
1894 . . . . .	about 300	34.4	about 250	28.6	about 130	14.9	193	22.1
1905 . . . . .	787	38.2	613	29.8	312	15.1	348	16.9
1912 . . . . .	" 1,075	36.1	" 900	39.3	" 475	16	about 525	17.6
1914 . . . . .	" 1,186	36.3	995	39.5	528	16.1	557	17.1

## § 9. LANDSCHAFT OF THE PROVINCE OF WESTPHALIA.

The Landschaft of the Province of Westphalia was founded as a Society on July 15th., 1877, and, like the Landschaft of the Province of Saxony, only assumed the character of a public credit institute in 1899. It makes no difference between nobles' and peasants' holdings. The only condition for credit is a certain value to be determined in accordance with the net yield as calculated for the purposes of the income tax. The minimum value was first 150 mks., but it has been reduced, gradually, to 50 marks. The amount of the loan at first was a sum twenty two times the amount of the net yield as estimated for the income tax, without consideration of the value of the

buildings. It was afterwards raised to 30 times this amount, provided this did not exceed  $\frac{2}{3}$  rds. of the agricultural estimate (that is to say of the net yield actually arrived at by employing the ordinary coefficient 25). Later on, it was permitted that the amount of the loan should be  $\frac{2}{3}$  rds. of this estimated value, when it could be shown that since the last cadastral survey, the land mortgaged had undergone essential improvement or its value had been permanently increased.

Great efforts have been made in the last thirty years, both by means of interview and in writing, to make the Landschaft better known. The Westphalian Peasants' Society has availed itself in the matter of all its many and influential relations.

As the following tables show, credit to small and medium sized farms has occupied a great deal of the attention of the Westphalian Landschaft. This is already seen in the average amount of the loan granted (Table XII); the increase in the number of small and very small holdings mortgaged (Table XIII) shows it still more clearly.

TABLE XII. — *Total Loans.*

Year	Number of Members	Amount of Loans
1896 . . . . .	2,970	46,075,000
1901 . . . . .	3,309	56,669,200
1904 . . . . .	3,663	66,118,700
1907 . . . . .	4,117	77,136,200
1909 . . . . .	4,587	88,575,800
1912 . . . . .	4,986	102,904,300
1913 . . . . .	5,114	107,371,400

TABLE XIII. — *Distribution of Loans according to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percent- age of Total Holdings Mort- gaged	Holdings	Percent- age of Total Holdings Mort- gaged	Holdings	Percent- age of Total Holdings Mort- gaged	Holdings	Percent- age of Total Holdings Mort- gaged
1896 . . . . .	about							
1896 . . . . .	1,200	40.4	1,160	39	380	12.8	230	7.8
1905 . . . . .	1,597	41.5	1,539	40	493	12.8	217	5.7
1913 . . . . .	2,175	42.5	2,100	41.1	640	11.8	199	3.9

§ 10. AGRICULTURAL CREDIT ASSOCIATION FOR THE PROVINCE  
OF SCHLESWIG HOLSTEIN.

The Schleswig Holstein Agricultural Credit Association was founded in 1882 for all agricultural and forestry holdings of the province, of a net yield of at least 150 marks. This amount was reduced in 1900 to 50 marks. This Institute is concerned almost exclusively with peasant holdings. Its rule for estimating values is based on an estimate of the rental value (*Pacht-erstschätzung*) fixed in proportion to the net yield as calculated for the income tax. In the case of holdings with a net yield of less than 1,000 marks a shorter method is followed. The ordinary maximum amount of loan is fixed at 30 times the net yield, but in certain special cases this limit may be passed. Very small holdings generally receive loans relatively higher than the large holdings in consideration of the fact that they are always in demand and that it is therefore possible to sell them under favourable conditions and that also the value of the buildings represents in their case a larger proportion of the total value, and that the net yield of the holding is always higher, as the landowner and his family themselves cultivate the farm and can dispense with outside labour.

The following tables show the uninterrupted progress made by this association in the last 20 years and at the same time the increasing amount of credit granted by it to small holdings.

TABLE XIV. — *Total Loans.*

Year	Number of Members	Amount of Loans Mks
96 . . . . .	562	11,450,900
01 . . . . .	886	16,162,100
04 . . . . .	1,685	30,546,800
13 . . . . .	about 3,000	66,689,300

TABLE XV.—*Distribution*

Year	Net Exceeding 20 ha.			Percentage of		
	Holdings	Amount of Loans Mks	Total Holdings Mortgaged	Total Amount of Loans	Holdings	
1896 . . . . .	about 140	—	—	25.0	—	250
1905 . . . . .	554	3,955,700	27.5	—	918	
1914 . . . . .	950	—	29.7	—	1,500	

## § II. SCHLESWIG HOLSTEIN LANDSCHAFT.

The Schleswig Holstein Landschaft was founded in 1895 for all nobles' estates of the province, exclusive of the Duchy of Lauenburg, provided that their net yield as calculated for the income tax were not less than 1,500 marks. Its sphere of action was extended in 1905, by the admission of all farm or forest holdings of the province of Schleswig Holstein, exclusive of the Duchy of Lauenburg and the principality of Lübeck belonging to the Grand Duchy of Oldenburg, the net yield from which was at least 150 marks. In 1905 the limit was reduced to 50 marks, for all holdings in the district of the Landschaft, and finally, in 1912, the criterion of the net yield was abandoned and all holdings with at least 5 ha. cultivated, serving to support a family, were granted loans. In this way all holdings utilised for agriculture, whether belonging to nobles or peasants, could receive credit from the Landschaft, on condition of their at least providing their owners with means of subsistence. The loan is granted either on the basis of the land tax assessment, or in accordance with what has been called the *Bonitierungstaxe*. In the first case the amount is fixed at 35 times the net yield as calculated for the land tax, and at most at ten times the value in use of the dwelling house. The most recent provisions in regard to the *Bonitierungstaxe* (1913) greatly favour very small holdings; the management may, if requested, undertake itself to provide all the material required for the valuation, and may also dispense with some of this material. In the case of holdings not exceeding 100 ha. in area, the net yield from which as calculated for the land tax does not amount to 1,000 mks., it is not necessary to present a list of buildings and live stock, nor a return of the average yield for the last five years.

## to Area of Holdings.

Date of Total Amount of Loans	Between 50 and 100 ha.				Exceeding 100 ha.			
	Hold- ings	Amount of Loans Mks	Percentage of Total Holdings Mort- gaged	Total Amount of Loans	Hold- ings	Amount of Loans Mks	Percentage of Total Holdings Mort- gaged	Total Amount of Loans
5, —	130	—	23.1	—	42	—	7.4	—
5, —	434	13,637,100	21.5	—	111	6,379,100	5.5	—
9, —	640	—	20.0	—	110	—	3.4	—

The progress of the Schleswig Holstein Landschaft seen in the following tables, has been, especially since 1907, simply enormous, and it must be recognised that the increase in the business in relation to the nobles' estates has been far inferior to that in relation to peasants' holdings. The business in connection with peasants' holdings so preponderates, that this Landschaft, first founded in the exclusive interest of large nobles' estates, has completely altered its character.

In proof of this, it is enough to consider that whilst the average amount of the loans granted in 1904 was 205,000 mks. and in 1907 201,000 mks., it is now 31,000 mks. and if we calculate at 22,000,000 mks. the total amount of loans for nobles' estates, the average for the peasants' estates does not exceed 26,000 marks in round numbers.

TABLE XVI. — Total Amount of Loans.

Year	Peasants' Holdings	Nobles' Estates	Total	Amount of Loans
1896. . . . .	—	18	18	2,246,150
1901. . . . .	—	30	30	5,102,950
1904. . . . .	7	75	82	16,886,450
1907. . . . .	79	86	165	23,222,100
1909. . . . .	343	96	439	32,144,700
1912. . . . .	2,388	108	2,496	71,418,850
1914. . . . .	3,225	116	3,241	105,041,700

TABLE XVII. — *Distribution of Loans according to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percent- age of Total Holdings Mortgaged	Holdings	Percent- age of Total Holdings Mortgaged	Holdings	Percent- age of Total Holdings Mortgaged	Holdings	Percent- age of Total Holdings Mortgaged
1905 . . . .	1	1	4	4.4	4	4.4	83	90.2
1914 . . . .	820	25	1,030	32	1,125	35	250	8

## § 12. CONCLUSION.

In the last few decades the Landschaften have assumed the special duty of extending land credit among peasant landowners. A whole order of opinions, formerly prevailing among the Landschaften, have been thoroughly modified; the peasant, it was said, has no need of credit; he is not yet in a position to profit by it, and, apart from this, small holdings, it was affirmed, could not offer the same security as large estates. The managers of the various societies have found that in offering small landowners a credit corresponding to the size of their holdings, they have increased their power of resistance and their yield, to the advantage of the general social economy. The Landschaften have therefore employed all the means at their disposal to provide small holdings with the credit they require, and to bring them into their sphere of action. The following table will show the reader the results obtained. Whilst in 1905, the proportion of holdings mortgaged on the basis of the agricultural valuation, of an area not exceeding 20 ha. and of an area between 20 and 100 ha., was respectively 5.9 % and 21.7 %, the figures have now risen to 8.3 % and 28.3 %; the loans granted have thus increased by 2.4 % and 6.6 % respectively. The holdings mortgaged of area not exceeding 100 ha. since 1905 have increased altogether by 20,000 and from 10.5 % to 14 % of all the holdings, which shows an increase per cent of 3.5, whilst the proportion of those above 100 ha. in area mortgaged has fallen from 65.8 % to 64.1 %, a decrease of 1.7 %.

The spread of agricultural credit in the districts of small holdings has as first result an improvement in the conditions of the holdings of this class. It must also be considered from the point of view of the formation of encouragement of small holdings and the development of home colonization. The question of small holdings, with which all agricultural countries are occupying themselves can only be settled by assuring this class of holding, to as large a degree as possible, of loans at small cost, to be repaid only in instalments. Besides this, the extension of the Landschaften credit to peasants is without doubt of more general public importance and should be included among the problems of small holdings to be solved.

TABLE XVIII.—Proportion of Holdings Mortgaged to the Total Number of Which to Receive Credit has been Recognised, according to Area, between the Years 1905 and 1912, or 1913.

Landschaft	Holdings not Exceeding 20 ha. In area			Holdings between 20 and 100 ha. In area			Holdings Exceeding 100 ha. In area			Year	
	Holdings Mortgage- able	Holdings Mortgaged	%	Holdings Mortgage- able	Holdings Mortgaged	%	Holdings Mortgage- able	Holdings Mortgaged	%		
East Prussian Landschaft . . . . .	38,021	2,377	6.3	25,870	9,418	36.4	3,400	2,953	86.8	1905	
Silesian Landschaft . . . . .	94,000	3,692	10.3	10,208	3,94	38.2	8,6	8,3	93.4	1914	
New West Prussian Landschaft . . . . .	27,378	7,570	8.0	16,477	5,583	33.9	2,750	2,327	84.6	1905	
New Credit Institute for Brandenburg . . . . .	41,500	3,370	10.0	13,715	6,273	38.1	2,000	2,045	86.2	1913	
New Pomeranian Landschaft . . . . .	30,116	3,160	11.5	17,0	4,547	33.2	1,220	1,220	61.0	1905	
Posen Landschaft . . . . .	41,125	4,650	17.0	12,658	6,700	48.9	1,555	1,555	57.7	1914	
Landschaft of the Province of Saxony . . . . .	42,357	3,591	8.6	23,500	5,694	24.2	2,100	1,430	68.7	1905	
Westphalia . . . . .	37,746	4,008	9.6	11,973	6,156	52.8	1,287	1,287	61.3	1914*	
Agricultural Credit Association for the Province of Schleswig-Holstein . . . . .	22,997	2,39	10.2	8,02	725	6.1	2,500	1,604	64.2	1905	
Schleswig Holstein Landschaft . . . . .	Total . . . . .	375,240	38,021	1,86	11,836	8,836	74.3	1,412	56.5	1914	
		30,567	30,567	1,458	2,175	2,175	2,740	1,475	70.0	1913	
				534	4,1	950	2,140	1,493	69.5	1913	
				1	—	—	8	—	31.8	1913	
				820	3.6	—	—	83	7.6	1905	
				22,121	5.9	154,101	21,55	10.0	250	2.3	1914
				30,567	8.3	—	—	—	11,605	65.8	1905
				559,344	—	—	—	—	11,101	64.1	1914
				—	—	—	—	—	10,5	1925	

## COSTA RICA.

### GOVERNMENT MEASURES FOR THE DEVELOPMENT OF AGRICULTURAL CREDIT

With a view to meeting the economic crisis in production in the country, the products of which are essentially agricultural, which has been occasioned by the European conflagration, the Government of Costa Rica, after much fruitless negotiation with the members of the financial world there, stated, as has been shown in a former number of this Bulletin (1), the International Bank of Costa Rica, and instituted agricultural credit boards in localities where they were most required. In this way the Government proposed to provide the assistance the exceptional circumstances call for, in the means of loans in cash both to the large producers and exporters and the small landowners and farmers.

Official credit once organized in this way, the Government endeavoured to encourage its development as far as possible. This was the object of the two Decrees, the principal provisions of which we shall consider below, *warrants* and agricultural pledge, which complete the general provisions mentioned above, the object of which, as we have said, is to arrest the economic crisis in agriculture occasioned by the war in the old world.

#### § I. THE INSTITUTION OF AGRICULTURAL PLEDGE.

By Decree No. 3 of September 13th, 1915, the Government instituted *warrants* of agricultural pledge as security for loans in money to farmers.

In accordance with this Decree, the agricultural pledge may consist of the following articles: (a) machinery generally, farming implements and such implements as are used in agriculture, the working of forests and estates or in industry; (b) livestock of any kind and their produce, as well as moveables serving for the farm work; (c) crops of any kind of the

(1) See Article, "*The Influence of the European War on Production and Credit in Costa Rica*", in our Number for September, 1915.

agricultural year in which the contract is established, whether start crops, or crops already harvested etc.

The objects pledged serve as security to the creditor, who has a special preference right in regard to them up to the amount of the loan, interest and charges according to the conditions of the contract and provisions of this law.

The debtor will retain possession of the object pledged in the name of the creditor; the possessor of the pledge is bound to preserve it and is responsible for deterioration or damage it may suffer through his fault or negligence.

The Decree under consideration establishes that the preference right of the creditor shall last for two years from date of registration of the contract; they burden the insurance claims paid for the object pledged, as well as compensation paid by persons responsible for loss or deterioration of the objects pledged. The agricultural pledge, however, does not affect the preference rights of the landowner for a year's lease due or the amount due to him in money for the use or enjoyment of the object or the farm during the same period, or rent and amounts due previously to the constitution of the pledge, provided the contract under which they are due be a public deed duly registered or presented for registration before the date of registration of the contract of agricultural pledge.

One of the most important provisions of the Decree instituting agricultural pledge in the Republic of Costa Rica is that henceforth mortgages on holdings shall not burden property that may be the object of agricultural pledge as above indicated, nor compensation the mortgagor may receive in payment of insurance claims, or for compulsory expropriation or injury to the above articles when pledged. Any clause contrary to this provision shall be null and void.

The agricultural pledge contract shall only have effect for third parties from the moment it is presented for registration in the register of agricultural pledges, pledges on livestock and industrial pledges, which shall be opened in each canton. This contract can be constituted by public or private deed, in which the full name of each of the contracting parties, their status and condition are specified.

The agricultural pledge certificate delivered by the official of the office where it is registered will be transferable by endorsement; all who sign and endorse an agricultural pledge certificate, except the official who makes it out and any witnesses there may be, shall be jointly and severally liable for the obligations it guarantees.

The livestock on which a pledge has been constituted cannot be removed from the farm on which they are at the moment of its constitution, and much less leave the district of the registration office in which the pledge is registered, unless the official of the office has made a note to the effect on the original document and notified the creditor and any endorsers there may be. There is exemption from these restrictions in the case of the livestock serving for the ordinary work of the debtor, specification of which must be made in the pledge contract.

The crops and produce on which an agricultural pledge has been constituted may be sold for cash by the debtor, if ready for sale, provided the price is not below the day's market price, and the amount exceeds the whole sum secured on the crops and produce; however, if all the crops and produce are sold at the same time, the debtor is bound to pay the creditor the amount of the debt within three days. This term may be extended in reasonable proportion to the distance, but may never exceed 8 days.

The debtor may at any moment relieve himself of the burden on the goods pledged by paying the creditor the amount of the loan, with the interest, commission and accessory charges mentioned in the contract.

Finally, the decree, the principal provisions of which we have indicated, provides that during the term of the contract, the creditor may himself, or by means of an agent or representative authorized by him, examine the condition of the articles pledged or the fields producing them, and if, in his opinion, they run a risk of being damaged or deteriorated through the debtor abandoning them or neglecting them, he may inform the competent authorities. They shall appoint an expert to give his opinion, and, if it agrees with that of the creditor, the debtor may be obliged to supervise the articles pledged properly, or to pay the costs of their supervision.

#### § 2. DECREE AUTHORIZING THE ISSUE OF WARRANTS BY GENERAL WAREHOUSES..

The Government has recently decreed the institution of three general warehouses at San José, Puntarenas and Limón, reserving the right to found others if it judges necessary.

The warehouses in question, in addition to their general functions, consisting in the acceptance of deposits, and the supervision and preservation of goods, must issue deposit certificates with corresponding warrants.

We shall briefly describe the organization of this new service for the encouragement of credit, intended chiefly for the benefit of the rural population, as Costa Rica is essentially an agricultural country.

The deposit certificates and warrants with which we are concerned may be inscribed or to bearer, as the depositor desires, and will be negotiable and transferable, by way of cession, endorsement and simple gift in either case.

According to the Decree, the endorsement of the deposit certificate or the warrant will have the following effect: (a) the endorsement of the two together will transfer the ownership of the produce or goods deposited; (b) the endorsement of the warrant only will pledge the produce to the person to whom it is endorsed; (c) the endorsement of the deposit certificate alone will transfer the ownership of the goods deposited, while the rights of the holder of the warrant continue to exist.

A holder of a deposit certificate and not of the warrant may withdraw the goods before the time fixed and payment of the credit secured on them, on delivering to the managers of the warehouse the amount of the credit in question with interest, calculated up to the date fixed, and this amount will be paid in its turn to the holder of the warrant on delivery of his warrant.

The holder of a warrant not paid at date the debt secured by it is due, may have it protested like a bill of exchange and advise the manager of the warehouse, so that he may retain the articles deposited in order to ensure payment of the debt which takes precedence over the depositor's other debts.

## Part IV: Miscellaneous

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### FRANCE.

#### THE LAW OF JULY 10TH., 1915 ON HOME INDUSTRIES.

##### OFFICIAL SOURCES:

ÉTAT DE L'OFFICE DU TRAVAIL SUR LE TRAVAIL À DOMICILE DANS L'INDUSTRIE DE LA  
INTERIE (Labour Office Enquiry into the Home Manufacture of Underclothing), 5 Volumes,  
vo. Paris. Imprimerie Nationale; 1907-1911.

DU 10 JUILLET 1915 ET TRAVAUX PRÉPARATOIRES (Law of July 10th., 1915 and Pre-  
paratory Labours).

RAIRE DU MINISTRE DU TRAVAIL AUX INSPECTEURS DIVISIONNAIRES DU TRAVAIL, EN  
ITE DU 24 JUILLET 1915 (Circular of the Minister of Labour Forwarded to the Divi-  
and Inspectors of Labour, July 24th., 1915).

##### § I. MANUFACTURE OF UNDERCLOTHING IN COUNTRY DISTRICTS.

The home manufacture of underclothing carried on by women in the  
ich country districts is of importance on account of the additional  
ants in this way added to incomes derived from purely agricul-  
ural work. However, it must be acknowledged conditions of the  
stry have long been seriously criticised. Complaint is made that  
badly paid, that, in order to obtain a trifling profit, the working day  
to be very long and the conditions under which the work is done are not  
thy. Accordingly, with the object of testing the justice of these stric-  
s, the Labour Office instituted a long enquiry, lasting from 1905 to  
3, in 24 departments, in the course of which 2,300 individuals, manufac-  
rs, dealers, men and women contractors (*entrepreneurs* and *entrepre-  
es*), agents (*dépositaires*), and needlewomen working at home, were  
mined. Let us first of all summarise the results of the enquiry.

This home industry is not independent, but implies a business ~~undertaking~~ taking concerned with the distribution and remuneration of the work. Such undertakings are most usually conducted by women and the number of these women contractors (*entrepreneuses*) is found to be continually increasing. In such and such a locality, where, some ten years ago, there were three of them, there are now ten ; in the department of Cher, twenty or thirty years ago, the country districts only worked in firms in their neighbourhood ; to day, there is scarcely a village in the region without such a contractor or a depot. Indeed, under the contractor or on an equality with her, and sometimes difficult to distinguish from a contractor, we find, in some districts, (chiefly Cher, Loir-et-Cher, Indre and Sarthe), an agent (*dépositaire*), sometimes engaged by a fine goods manufacturer, a fancy goods warehouse, a shirtmaker or so on, as sometimes by one of the above contractors.

The real agent is a kind of outside superintendent ; she is paid directly by her employer, by the day or by the dozen, in proportion to the quantity produced etc. There are even agents whose work is of such slight importance that they might be more accurately described as first class needlewomen ; for their limited work as agents they receive no special wage ; the employer merely favours them and provides them with work so that they are never unemployed. We could (if there were no danger of laying too much stress on the difference), keep the name of depot manageress (*répondante de dépôt*) for the first group, but, whether we make the distinction or not, it is certain that the industrial situation of the agents varies very considerably and there are many degrees between the depot manageress who has her own office, where the needlewomen come to learn what work they have to do at home, and the agent who divides the parcels of shirts sent to her among three or four neighbours.

But, generally speaking, all the agents have the same duties : they receive a certain amount of work from their employers which they distribute among the local needlewomen, the recruiting of whom constitutes the chief reason for their existence ; sometimes they visit the women workers, they always collect the articles when made and keep them at the disposal of the manufacturer or contractor.

Such is, generally, the character of the ordinary agent, at least if the other class of agent of whom we have still to speak developed out of this. When the manufacturer no longer pays the agent at all, if she is generally charged to settle with the women she engages, she pays herself out of the price of the goods and so becomes a contractor ; when this work is done by the contractor, the agent becomes a sub-contractor. Easy as it is to distinguish theoretically between agents on the one hand and contractors or sub-contractors on the other, it is so much the less simple when the title of agent is given to persons who are certainly contractors or sub-contractors and not simple intermediaries. This confusion was felt during the enquiry and it was very often not possible to discover the precise character of the agents.

What might be said to characterise the agents when they act as contractors

trators is that generally they are not so to say professional contractors ; as they are not paid by their employer ; they charge the needlewomen they recruit as fair a price as possible for their services ; the difference between the prices paid to them and those they themselves pay are generally very slight, and the small amount they keep for themselves gives them a financial position that would seem to be appreciably inferior to that of the real agents.

That they are paid as nearly as possible the value of their services is certain. One of the reasons of their modest charges is the increasing number of agents. We must note this increasing number of agents, as also of principals and contractors at least in the regions where the organization of the depots is habitual. In Indre, Cher and Sarthe, this increase is firms by a large number of the persons examined ; in many unimportant villages there are several agents (in one place which has 700 inhabitants there are no less than 6) and, although the trade in underclothing is far from being in a state of crisis, these numerous agents, who compete against each other and take away each others' employees, soon cease to supply their employers with enough goods or with articles produced sufficiently cheaply ; the employers seek for new agents (as they seek for new contractors) in localities or regions to which home industry has not yet penetrated. Under these conditions, competition between the agents assumes such proportions that the depots must realise a very small profit if they continue to exist ; and even needlewomen who have undertaken the management have sometimes been obliged to close their depots.

A second reason that may serve to explain the poor remuneration is that generally the women only consider it as an addition to their incomes. Large, indeed, is the number of agents who only engage in the manufacture of linen goods as an auxiliary occupation, and, like may contractors or sub-contractors, as their principal business engage in the sale of various articles.

Of those shopkeepers who manage a linen goods business or depot, and those contractors or sub-contractors or agents who carry on a trade, no attempt has been made to draw up a list, but it was possible to collect sufficiently complete information on the point for a certain number of villages in the districts visited.

First of all, in the department of Cher, in the neighbourhood of Henrichemont, there are it seems many shopkeepers who are contractors ; and similarly at Saint-Amand and, above all, in the adjoining country, where many sub-contractors carry on a trade, usually as grocers ; at Aubigny one of the two contractors is a grocer. At Graçay and Saint-Outrille one out of six contractors is a shopkeeper, selling cloth ; at Châteauneuf, a clothier contracts to get underclothing made, no other contractor is reported ; at Lignières, there are some fifteen men and women contractors, half of them being fancy goods dealers or grocers, at Dun-sur-Auron, the proportion is the same, seven in over a dozen ; two sell fancy goods, one only cloth, one grocer, haberdashery, cloth and wooden shoes, one coffee, and another sewing machines.

In Allier, it seems from two statements which confirm each other that the number of shopkeeping-contractors is legion.

At Villefranche (Loir-et-Cher), there are some ten contractors. "Almost all the men and women contractors are engaged in the sale of some article. Only one sells nothing at all ; some of the contractors of longer standing carry on only an unimportant business ; this is not the case with the new contractors ; they sell groceries or clothes."

At Selles-sur-Cher, it appears there are only two fancy goods dealers among some ten contractors ; but, in the adjoining villages, sub-contractors have shops, above all for sale of groceries.

In Indre, all the agents of Méobecq, except one, carry on trade, and at Chabris a large number do.

To sum up, we conclude (though it cannot be absolutely affirmed, as the enquiry has not given all the information it might have on the point) that the contractors or agents engaged in trade are to be found chiefly in the centre of France: Cher, Indre, Loir-et-Cher, Allier and Sarthe, where we may imagine so many agents and small contractors could not live by the linen goods industry alone.

Before the presentation of this review of the districts and localities where there have been found contractors or agents for underclothing who are at the same time shopkeepers, it was understood that those shopkeepers who have taken up the underclothing business, or those contractors and agents who have taken to trade make their chief profits out of their trade. It will not be without its advantage to show, by means of example or by reproducing various statements, the relation these two groups of occupations bear to each other.

A contractor or agent cannot live without carrying on a small trade ; such is the statement incessantly repeated in certain regions ; or, more truly, the underclothing business or depot is expected to enable the trade to live or prosper.

"It is," says a fancy goods dealer who is an underclothing contractor, "the underclothing business which enables the small dealer to maintain himself, for it is by means of the work he himself distributes in the country he assures himself of the continued support of a certain *clientèle*."

Another fancy goods dealer, formerly an underclothing contractor, gave more precise information. According to him, if a dealer who is also a contractor is to find his profit in getting underclothing made, the needle-women he employs must agree to spend at least half their earnings at his shop ; this is often arranged, it appears ; and many firms, in the departments of Cher and Indre make large profits in this way ; one of them only gains 2,000 frs. or 30,000 frs. worth of underclothing it gets made a year, but its other business, is greatly extended on account of its underclothing business, "for the needlewomen are, so to say, obliged to get their supplies from the contractor shopkeepers and it generally happens that they, taking advantage of the situation, raise their prices."

An underclothing contractor of Villefranche-sur-Cher who, at least

according to her own account, does a very small trade, declares to the same effect:

"Two new contractors are at the same time pedlars: they go from village to village distributing work and selling groceries and haberdashery. The needlewomen go to the contractors who sell goods to them. They are above all attracted to those who sell articles that tempt their vanity. To attract the needlewomen, the dealers slightly raise their piece prices, and so ruin the other contractors. The dealers themselves cannot gain much out of underclothing; but as they arrange that the money made by the needlewomen is only spent with them, they increase their custom in this way and so get their own money back."

We may reproduce the following lines relating to an agent of Méobecq (Indre), to the same effect: "This sub-contractor, like most of her fellows in the country, only manages an underclothing depot, as an accessory to her principal business and in order to gain custom; the women she gives work to prefer to supply themselves from her shop in return. The underclothing business scarcely brings her in anything; she deducts 10 %, but only receives from 230 to 300 francs worth of work a month." Her gross profit as sub-contractor would then only be from 25 to 30 frs. a month. It may be understood (though the figures cannot be given) how trifling her net profit must be.

Sometimes this combination of linen manufacture and trade gives no profits but results in a loss. The customers attracted by the offer of work take goods out of proportion to their gains, and to give them credit is to lose. On the other hand in addition to the expenses the employer must support, many inconveniences to which he is exposed by the needlewomen which make his trade difficult, his responsibility etc., have to be considered, so that if the women do not take enough of his goods, or rather if he is unable to make them spend a certain part of the money he pays them in purchases from him, the business is not successful and he has to stop it.

Thus, payment in kind is the more or less necessary consequence of a contractor or agent engaging in trade.

## § 2. PROVISIONS OF THE LAW OF JULY 10TH., 1915.

However crying this abuse is, it is of slight importance in comparison with those arising out of home industry in the towns, where the needlewomen no longer consider it as accessory labour, but regard it as their principal business. The excessively long hours, and the extremely low wages have long called for legislative intervention. This intervention, long discussed and studied, took form in the law of July 10th., 1915, by which the country needlewomen will also benefit. Its object is to ensure a minimum wage for women occupied at home in the underclothing business, who are too often quite insufficiently remunerated. Although it very opportunely corresponds with the development of home manufactures

(overcoats, trousers, shirts, underdrawers, tents, etc.), during the war for the benefit of the soldiers it is not a law passed to meet the circumstances of the moment. It originated in the numerous complaints, and numerous enquiries, which, in the course of many years, have revealed the decrease in the wages of needlewomen working at home. The matter has been under consideration for many years.

To understand the limits of the application of the law, we must consider on the one hand the persons and on the other the articles to which it applies.

With regard to the persons, the law only contemplates needlewomen working at home. It leaves out of consideration men working at home and employees in workshops. However, once the minimum wage is fixed for needlewomen working at home, men working at home in the same industry and doing the same work, who receive wages less than this minimum, may sue their employers before boards of arbitration or magistrates for payment of the difference (art. 33*m*). The civil action of associations contemplated in article 33*k* may also lie in this case.

The law does not define home industry, but the Circular of the Minister of Labour of July 24th, 1915 gives, for purposes of indication, certain characteristics of paid home labour.

The work is done to the order either of a manufacturing or commercial establishment, or of an intermediary. It is performed in a building either serving as dwelling house or as an outhouse, by a finishing hand who works either alone or with the assistance of the members of his or her family or even with that of other workers. Most usually the material is supplied by the establishments or the intermediaries, except in the case of additional supplies being purchased by the finisher.

The workers at home thus defined are distinguished from small artisans also working at home, but directly for customers and in reality small principals.

No distinction as to nationality is made in the law, which protects equally all men or women working at home in France, whether they are French or foreigners. M. Berthod, the first to report on the law to the Chamber of Deputies, expressly states this in his report.

The law again does not contemplate all home work; it applies only to the "manufacture of clothes, hats, boots and shoes, underclothing of every kind, embroidery, lace, feathers, artificial flowers and any other work coming under the head of clothing industry" (art. 33).

In addition to the objects mentioned above, we find from the preparatory labours that the law only intended to include under the name of clothing industry the manufacture of clothes properly so called. Especially it does not include under this head, manufacture of jewels and rosaries or ribbon making. Still, article 33*m* makes it possible to extend the law so as to apply to other industries not expressly contemplated in article 33. This extension may be made by Government Regulations on the suggestion of the Superior Council of Labour.

I. — By means of a special procedure, a minimum rate of pay is established and published;

II. — The contractors must pay their needlewomen at a rate at least equal to the minimum so fixed, failing which, adjustment of the rates may be obtained by means of a civil suit;

III. — To facilitate comparison between the minimum rate established and that paid by the contractor, the latter must go through certain formalities, and non-observance of this provision makes him liable to punishment by the law.

The law contemplates three kinds of minimum wage or scales which is advisable clearly to distinguish in order to facilitate the understanding of what follows:

1st. A minimum *time* wage fixed by the labour council or the departmental wages committee;

2nd. A minimum *piece* wage, for articles manufactured in series, established by the board of labour or the professional experts' committee

3rd. Piece prices, fixed by the contractor, which must be entered by him on the tickets or in the book he sends the needlewomen and in certain cases he must have posted publicly.

All these wages or rates are of course independent of any provision material. This is evident, by definition, in the case of the time minimum (art. 33e); it is equally true for the piece wage or rate fixed by the committee of experts, since by definition it must permit of the minimum payment per hour for the time required for making the piece (art. 33g).

The same holds good in the case of piece prices fixed by the contractor and posted by him (art. 33b) or entered in the passbooks (art. 33c). It is seen in the last phrase of the first paragraph of article 33c: "The piece prices may not be lower for the same articles than the prices duly posted in accordance with the foregoing article."

### § 3. ORGANIZATIONS CHARGED TO FIX THE MINIMUM WAGES.

It is to the boards of labour, in the first instance, the law entrusts care of establishing the minimum wages (art. 33e) as well as the time necessary for the manufacture of the articles (art. 33g).

The labour boards in question are the advisory labour boards contemplated in the law of July 17th, 1908. As these boards are still very few none of them has been created for the professions contemplated in law with which we are concerned, it is at present necessary to have recourse to the foundation of the wages committees and professional committees of experts, by which according to the law they may be substituted. *Wages Committees.* — Article 33f of the law regulates the formation of these committees.

It is for the prefects to arrange for their creation. They must establish the number of men and women employees and of employers who should compose the committee, taking into consideration the importance of the interests at stake and after consulting on the matter with the labour inspection department and competent persons belonging to the professional group concerned.

The number of members of each class may vary from two to four, but must be the same for both classes.

They must then cause the members to be nominated. Two cases present themselves :

(a) If there are arbitration boards having jurisdiction in the department, the prefect must invite the presidents and vice presidents of the sections of these boards to nominate the employers and employees to be on the committee. The law has not stated how this nomination is to be made. By analogy with article 33g, which contemplates a meeting of presidents and vice presidents of sections of the arbitration boards to designate members of local committees of experts, the Minister of Labour judges that it is best to follow the same procedure in the appointment of the members of the departmental wages committee. It is, besides, easier to obtain the agreement desired by the law in such a meeting, when the parties concerned are consulted separately.

It may be admitted that the agreement is attained in the case of a candidate who has the majority of the votes of the arbiters who are masters and of those who are employees.

The candidates elected must be engaged in the industries contemplated in the law under consideration, that is to say, until paragraph 2 of article 33m comes into force, in clothing manufacture. It is the only condition necessary for election. It is not absolutely necessary that the employer appointed should give out work to be done at home, nor that the employees should belong to the class of household workers ; it is even recognised that both be engaged in the above industries. It is, however, recognised as desirable that the choice should fall on persons belonging to the specific industries the work of which is in question. It is also recognised as desirable as far as it is possible, in order to facilitate the work and limit expenditure, that those persons should be in preference chosen who live in the town in which the sittings of the committee are held.

(b) In the absence of arbitration boards, or if the presidents and vice presidents have been unable to agree, the prefect must advise the president of the civil court of the chief town of the department and beg him to designate the members.

If in the meetings of presidents and vice-presidents persons not belonging to the clothing industry have been designated ; or if, generally less than all the employers or employees than are required for the committee have been designated, the president of the civil court must likewise complete the list and supply the missing names, as in the case of no agreement being come to.

The law has not expressly fixed the term of office of the members of the committee. But as the minimum wage must be revised, according to article 33<sup>e</sup>, at least every three years, the circular of the Minister of Labour prescribes that as a rule the committees shall be appointed every three years. This period is also that fixed by the law in the case of the councillor of the court of cassation charged to preside over the central committee and shall judge, in the last resort (art. 33<sup>f</sup>). Let us add that there is nothing to prevent the members of the departmental committees being re-appointed at the end of each three years.

The presidency of the departmental wages committee is assigned by law to the magistrate or the senior magistrate in office in the chief town of the department. Therefore he must see that the business is properly conducted.

A decree of the prefects informs those concerned of the institution of the departmental wages committee and its composition. It establishes the term for which the members are appointed and from what date and indicates, if need be, the measures taken to facilitate its mission. A later decree publishes the result of the nomination of members regularly made, giving the names.

*Professional Committees of Experts.* — In the absence of labour boards, it is to say in most cases, the prefects will have to institute in each department one or more committees, called *professional committees of experts*. (t. 33 g).

The prefects must decide in what centres and for what professions such committees must be formed and fix the limits of their jurisdiction. They must consult persons qualified to represent the professions, and the professional groups concerned; they must also consult the wages committee and labour inspector. On account of their technical mission, these committees of experts may be as numerous as there are clearly distinguished clothing industries carried on in the district.

In appointing the members of the professional committees, the prefects shall follow the procedure indicated above for the departmental wages committees. One difference, however, is to be noted. When there are no arbitration boards in the department or if the employer and employee presidents have not been able to agree, it is the prefect who must appoint the members of the committee of experts. For the purpose the departmental wages committee must be consulted.

The remarks made in the case of the departmental wages committees in regard to professional speciality and residence are in this case even more insisted on, and, in respect to residence, it is easier to conform to them.

*Central Commission.* — In order to decide in the last resort in regard to protests against the decisions of the labour councils, wages committees and committees of experts, a central commission is established at the Department of Labour.

This commission must include, for each case dealt with, two members (an employer and an employee) of the labour council or the departmental committee that has fixed the minimum wage.

## § 4. WORKING OF THE COMMITTEES.

The meetings of the departmental wages committee and the professional committees of experts are called by the magistrate, who is president and fixes the agenda. The Government must not intervene in their labour. It must, however, facilitate their work, as far as possible, providing them with the offices, documents, and the office furniture required. At the desire it shall place, as far as is possible, an employee at their disposal to expedite the work of the secretariat. Among the documents to be communicated to the committees are, in the first place, the memorandum attached, by virtue of the decree of August 10th., 1899, to the contract of purchase made by the State, the Departments, the Communes, and the public charity establishments. A very large number of these memoranda have just recently been drawn up for the supply of clothes and underclothing to the army. The committees will find in them abundant recent data which will greatly facilitate their work.

*Establishment of the Minimum Wage.* — The labour boards or wage committees, for which article 33 makes provision, must first establish the rate of daily wages habitually paid, in accordance with which the minimum wage is to be fixed.

Article 33c indicates the rules to be followed in the matter:

(1) When the home industry is found in the district competing with similar work in workshops, the daily rate of wage established will be that habitually paid in the workshops to needlewomen of the same profession and of average skill in performing the various kinds of work of their profession. In regard to the average habitual skill, which had to be ascertained, M. Berthod, who reported on the proposed law to the Chamber of Deputies, quoted by M. Morel, who reported to the Senate, says: "Of course the wages contemplated must be the wages of the needlewoman who has no special qualifications giving claim to remuneration at a high rate, but is the ordinary needlewoman, who usually performs the various kinds of professional work."

(2) When the home industry has no competitors in the district, but we find in the district or in similar districts workshops in which needlewomen do similar work, the rate of the daily wage of these women must be ascertained.

(3) Finally, when there is no workshop where work connected with the clothing industry or similar work is done, either in the district under consideration or in similar districts, a case which, in view of the very large and comprehensive sense of the expressions "similar work" and "similar districts," will doubtless be rare, the rate of wages habitually paid to the women working by the day in the district must be ascertained.

In the terms of M. Jean Morel's report, "the woman working by the day taken here as the type is the unspecialised workwoman, who goes out

the day to do various work in other people's houses : whether house-work, sewing, washing or other work of similar character."

*Establishment of the Minimum Wage.* — It is in accordance with the law of wages thus ascertained that the labour boards or wages committees fix the minimum contemplated in article 33d, that is to say the amount at piece prices must enable a woman of average skill working at home to earn in ten hours. The minimum wage thus fixed is thus a *time wage* ; must be fixed per hour, or per day of ten hours.

The last paragraph of article 33c orders the labour boards or wages committees to proceed every three years to revise the minimum hourly wage.

*Establishment of the Piece Price of Articles Manufactured in Series.* — The committees of experts instituted by article 33g are called to draw up, accurately as possible, a table of the time required for the manufacture of goods in series, for the various articles and the various classes of workmen, in the professions or districts coming within their province. In the intention of the law, for the purpose of a needlewoman of average ability must be observed in the workroom.

It must be observed that the action of the committees in selecting the articles to be shown in the table is not limited by the action of the government. The arbitration boards and professional unions concerned have an equal right to address themselves to them. The committees may either, *ex officio*, enter the articles for which it seems to them especially liable to fix the rates.

Once this table has been prepared, it is for the committee of experts, in order to establish the minimum wages and rates especially contemplated in article 33h, to calculate the amount of the minimum wage multiplied by the number of hours and fractions of hours shown in the table. The scale of rates must give in the case of each article three items of information : wage per hour, time required, net price per piece calculated on the two first.

*Publication of Wages.* — Article 33h entrusts the prefects with the care of ensuring the publication of the minimum wages and all piece wages and scales of rates ascertained or established by the labour boards and special committees. The law only provides for publication in the Collection of Departmental Administrative Acts. But it is the Government Regulations contemplated in the last paragraph of article 33h which shall exactly fix the conditions of such publication. It must be as complete and as speedy as possible, in order that all concerned may be informed in proper time.

*Appeal against the Decisions of the Committees.* — Article 33h provides for appeal against the decisions of the labour boards, wages committees or committees of experts, ascertaining or establishing wages or scales of rates ; such appeal may be made to the Central Committee at the Labour Office, the decision of which shall be final.

The Minister of Labour has to receive these protests and forward those to the Commission that are in order. The Government itself has a right to protest against manifestly erroneous conclusions of the committees.

tees and differences in their valuations of a kind to misrepresent the conditions of competition between different districts etc.

The wages and scales of rates fixed by decision of the Central Committee shall be given the same publicity as those ascertained or established by the Wages Committees or Committees of Experts.

#### § 5. ADJUSTMENT OF SALARIES.

The fact that an employer does not respect the regulations in regard to the minima established by the committees does not render him liable to criminal prosecution ; it only exposes him to two different civil actions which may be independent of each other, on the part of the employees injured and the associations authorized for the purpose, by decree issued on the proposal of the Minister of Labour.

#### § 6. FORMALITIES WITH WHICH THE CONTRACTORS MUST COMPLY.

With the object of making it easy to ascertain the wages really paid by the contractors to the workwomen, the law imposes on the former certain obligations enumerated in articles 33a, 33b, and 33c under penalties laid down in article 99a.

In terms of article 33a, any manufacturer, commission agent or intermediary, who orders any of the work contemplated in article 33a to be done at home, must inform the inspector of labour in whose section is the head-quarters of the business. The inspector acknowledges receipt of the information to the persons above mentioned.

The registers contemplated in the same article show the names and addresses of the women engaged in home work, by each manufacturer, commission agent or intermediary. Their form is not fixed in the regulations, but they are registers, that is to say, bound, and do not consist of loose sheets. This point is essential for the purpose of checking the entries.

The piece prices paid for articles manufactured in series, which the employer (manufacturer, commission agent or intermediary) must publish are, as has been shown above, the net piece prices, after deduction of the value of the material supplied to the workwomen. It is indeed necessary that it should be so for the sake of comparison with the net minimum prices fixed by the committees.

But it will be understood that, for the convenience of industrial business, the employers publish the gross piece prices, showing the amount to be paid by them, and, by the side of these, with indication of the

aterial supplied to the needlewoman, the net piece prices resulting after deduction of the value of the material.

In regard to the counterfoil pass books delivered to the workwomen, the text of article 33c requires: the entry in them of the gross piece prices, the value of the material supplied and the net piece prices. The provisions of the law, however, are satisfied if the two first entries are distinctly made.

All these formalities and checks are necessary in order that the needlewoman may calculate her net wages, compare them with the minimum she is a right to, and, if need be, enforce her rights by means of a civil suit and also to permit of the associations concerned taking action; that is why the law secures their observance under penalty.

The law attaches great importance to the measures for the organization of the publication of wages. We have already spoken of the publicity contemplated in the case of wages and scales of rates ascertained or established by the committees. The publication of the contractors' and intermediaries' scales, that is to say, the posting of them in certain places laid down in article 33b is also of great importance. Not only does it facilitate comparison with the minima, but when the committees' scales do not include the same articles, the contractor will hesitate to post rates that are clearly too low; the prices posted will generally be the ordinary prices.

Exception has been taken to the obligation of the posting of series prices by the employer when the goods are delivered and collected at the workwoman's private residence. It was scarcely possible to order posting by the employer at the needlewoman's home. In this case the protection afforded by the law evidently is reduced. It is for the labour inspectors to watch with so much the more care that the other provisions for supervision are complied with.

#### § 7. RÔLE OF THE LABOUR INSPECTORS.

The labour inspectors are bound to see that the contractors comply with the formalities laid down in their case.

They have for their purpose means of control and powers they possess both by virtue of the new law and of the articles 105-107 of Book II of the labour Code by which their general powers are regulated. They have the right of entrance in the offices of the home industry contractors, where the women wait, and in those where the material is consigned and the goods delivered after completion; they may claim to see the counterfoils of the tickets and the regular registers in which the entries on the tickets or in the passbooks delivered to the women must be accurately reproduced; finally, the reports they forward in proof of non-compliance with the legal provisions are accepted as evidence until proof to the contrary.

They must not wait to be complained to before exercising their supervision. Informed by means of the notice mentioned in article 33a of the names and addresses of the persons working at home, they must visit them and assure themselves that the provisions for the registration of needlewo-

men, the posting of the piece prices and the entries on the tickets, in the passbooks and registers as laid down in the law are complied with. They shall satisfy themselves that the net piece prices resulting from these entries are not inferior to those posted by the manufacturers, commission agents or intermediaries. They must, at the houses of a certain number of the needlewomen, satisfy themselves that the entries on the tickets and in the pass books delivered to the workwomen agree with those on the counterfoils and in the registers kept by the contractor. Their work of supervision is not ended when this agreement has been established; they must endeavour to assure themselves of the truth of these entries. If they discover inaccurate statements on the ticket or in the notebook in regard especially to the amount of work, the price per piece, the value and the kind of material left with the workwoman etc., they must prepare a report. However, before preparing their report they must explain to those concerned their duties, and, in the first few months, the reports shall only mention specially serious abuses and dishonest contraventions.

The strict duty of the labour inspectors is terminated when they have examined into the observance of the rules laid down for contractors for household industry. The text of the law does not charge them to see if the contractors respect the rules in regard to the minimum rates. While variation from the prices posted which the employers promise, and disagreement with the counterfoil books consigned to the workwomen is considered as a kind of fraud entailing legal penalties, the law has made the non-payment of the minimum rate a matter for civil action to be brought by the injured party. It would be, however, interpreting the law after too narrow a fashion to limit the rôle of the labour inspectors to that of reporting agents. By means of the various formalities, the compliance with which the law enjoins on them to check, it has given them a practical means of comparing the prices actually paid with the minima prices. They will be led by force of circumstances to make this comparison and, in case of abuse, to remind the employers officially that they are acting irregularly and laying themselves open to legal action.

There is also one case in which the conclusions of the inspectors may have results at least of importance for administrations; namely, when the contractors are carrying out the orders of the Government, the departments, communes or public establishments. In that case, the labour inspectors must inform the Government of any infringements of the law they discover, so that it may inflict due punishment upon the contractors.

Finally, the labour inspectors must, if requested, assist the prefects and wages committees and committees of experts in the application of the other provisions of the law and especially the establishment of minimum wages. Their general experience in regard to work and the abundant information they have collected in recent times in regard to the wages habitually paid to women working at home in their districts will enable them to give reliable information to the prefects and committees asking for their collaboration.

## GREAT BRITAIN AND IRELAND.

### PROPOSALS FOR LAND REFORM IN WALES.

#### SOURCES:

LAND: RURAL. The Report of the Welsh Land Enquiry Committee. Hodder & Stoughton, London, 1914.

#### INTRODUCTION

In previous numbers of the *Bulletin* (1) we have reviewed the reports on rural conditions in England and Scotland, drawn up by the Land Enquiry Committees appointed by the Liberal Parliamentary Party. We now examine the similar report for Wales drawn up by the sub-committee, under the chairmanship of Sir Alfred Mond, M. P., appointed in 1913 by a resolution of the Welsh Liberal Parliamentary Party to enquire into the conditions of land-tenure, housing, and agriculture in Wales.

One of the main sources of information drawn upon by the Committee was the Report, published in 1896, by the Royal Commission on Land in Wales, but besides availing itself of this monumental work and of the scattered throughout numerous official publications, the Committee received a number of replies from informants and direct investigations were made by qualified persons. The report is drawn up in an impartial spirit, but, as we have reminded the reader in the case of those on England and Scotland already reviewed, it is the work of men belonging exclusively to one political party.

#### § I. INSECURITY OF TENURE.

As in the case of the similar reports for England and Scotland, the Committee considers that in Wales also insecurity of tenure is the main grievance of the farmer. The system of holding land on leasehold which formerly prevailed is now almost extinct in the Principality.

(1) Proposals for Land Reform in England and Wales. *Bulletin of Economic and Social Intelligence*, June, 1914. Proposals for Land Reform in Scotland. *Bulletin of Economic and Social Intelligence*, September, 1915.

The great bulk of the farmers occupy their holdings under tenancies, terminable on six months' notice. Thus there is great insecurity of tenure, accentuated by the large number of sales of estates which have taken place in recent years (in Wales and Monmouthshire about 30,000 acres of agricultural land changed ownership in 1912).

Under this system a tenant farmer is liable at any moment to find that the farm he rents has changed hands, and if he elects to remain under the new landlord he is likely to be rented on the improvements which have been executed without receiving any compensation for the same. If he wishes to avoid dispossession, he decides to buy, he may be induced to bid up to a high price to retain his home, and the purchase price is often increased in consideration of the value of his own improvements. Thus insecurity of tenure prevents the farmer from improving the land as he otherwise would, it leaves him open to an arbitrary demand for higher rents; it denies him security for credit; and it forces him to employ less labour and consequently to increase the ever growing migration to the towns.

It is claimed that as a result agriculture is in a very backward state in Wales, the yield of the crops being considerably less than in England and Scotland.

One of the results of insecurity of tenure is to render ineffective much of the legislation enacted for the protection of the tenant farmer. For instance, in spite of the Act passed in 1908 entitling him to compensation for damage from game, the tenant farmer is seldom if ever fully compensated for such loss because he is generally afraid to enforce his legal rights.

#### § 2. FAILURE OF EXISTING LEGISLATION.

Theoretically the Agricultural Holdings Act of 1908 has put the tenant farmer in a better position. On paper he gets: (a) compensation for improvements; (b) compensation for unreasonable disturbance; (c) compensation for damage done by game; (d) extension of notice to quit to twelve months; (e) a record of the state of the holding at the commencement of the tenancy; (f) freedom of cropping and freedom to dispose of the produce as he thinks fit, always provided that in the exercise of these statutory rights he does not injure or deteriorate the holding.

Yet, notwithstanding every provision in the act, nothing has been done to deprive the landowner of the power to remove a tenant without giving any reason for his action; nor is there any provision to protect the sitting tenant against being compelled to pay an increased rental or his own improvements. If he wants to get compensation for such improvements the only way is for him to quit his farm.

To summarise, existing legislation does not provide adequate security of tenure for the tenant farmer. It does not protect him against having to pay increased rent on his own improvements. It does not provide machinery by which a fair rent can be fixed impartially. It does not provide com-

ensation for improvements or for unreasonable disturbance, or for disturbance in case of the sale of the holding.

### § 3. THE PROPOSED REMEDY.

In considering purchase as a possible remedy for this condition the results of the evidence submitted to the Committee may be summarised as follows:

- (1) There is no evidence of a general desire or organised movement in favour of purchasing holdings under conditions at present existing.
- (2) The Welsh farmers show a strong desire to purchase their holdings when put up for sale.
- (3) The desire to purchase only arises as an alternative to being turned out of the holding.
- (4) The majority of Welsh farmers are without the capital necessary to pay the purchase price.

On this question of purchase the Report states: "Having regard to the economic condition of the Welsh tenant farmer we would hesitate very much to advocate a general scheme of purchase which would result in a further decrease of the capital available for working the farm.... It is a common observation that tenants who have purchased without capital have taken too great a burden on themselves and are worse off than they were when tenants of large estates".

The remedy which commends itself to the Committee is that a tenant farmer be given absolute fixity of tenure with an independent tribunal (land-court) to settle the following points, failing agreement between landlord and tenant: (1) amount of rent; (2) valuation of improvements made by the tenant; (3) whether the landlord has provided the proper equipment for the holding; (4) compensation for damage done by game including rabbits; (5) grounds on which a tenant may be ejected; (6) aims by landlord or tenant at the expiration of the tenancy.

Precedents for the establishment of such a land-court are afforded by the Irish Land Commission and the Scottish Land-Court.

### § 4. OCCUPYING OWNERS.

This class, although numerically small as compared to tenants, is of especial importance in Wales, where, much more than in England or Scotland, tenants incline to purchase their farms. This tendency is due to the insecurity of tenure and consequent fear of eviction from their dwellings. The evidence given before the Royal Commission on Land in Wales showed that the condition of these small freeholders was in the majority of cases precarious, mainly because they had to purchase their hold-

ings to save their homes at a price which was often extravagant. Having little or no capital they have had to find the money on mortgage, for which they have had to pay heavy legal costs and a high rate of interest. Moreover, the mortgages are frequently called in, entailing further legal costs in obtaining a fresh mortgage and a transfer of the old one. There is, however, an undoubted consensus of opinion that farming is better done by the freeholder than by the tenant; and many of the small occupying owners have tided over their difficulties and are now doing well.

The great majority of freeholders in Wales are of very recent origin. The statistical data for 1894 showed that the proportion of land thus occupied in Wales was 11.8 per cent. as compared to 14.9 per cent. in England and 12.4 per cent. in Scotland, while in 1912 it had declined to 9.91 per cent. in Wales and to 10.9 per cent. in England. As a rule the capital for the purchase of these farms is provided by a mortgage given on the farm itself, and the Committee reports that the usual rate of interest ranges from  $3 \frac{3}{4}$  to 4 per cent. This is considered too heavy a burden on the farm, and moreover the constant calling in of mortgages, which must exist when the mortgagor is a private individual, involves heavy costs which often compel the freeholder to sell out his holding. The remedy usually suggested is some form of State loan. A large number of witnesses before the Welsh Land Commission recommended the Government to advance money on mortgage at a low rate of interest, to include an amortisation fund.

The Welsh Land Commission itself recommended advances not to exceed £. 3,000 on farms of not more than 150 acres, purchased since January, 1868; such advances not to exceed three-fourths of the present value of the land, at a rate of interest of  $2 \frac{3}{4}$  per cent. per annum, plus  $\frac{1}{4}$  per cent. for management expenses and fire insurance. The mortgage to be redeemable at choice in 30, 40 or 60 years, with provision enabling the borrower to repay the whole or any part of the loan at any time with the prescribed notice, a sum of five million sterling to be devoted for this purpose.

### § 5. RURAL DEPOPULATION AND THE AGRICULTURAL LABOURER.

The census statistics show that since 1841 the rural population of Wales has steadily declined, though in the last few years there seem to be indications of an arrest in the rural exodus. One of the main causes of depopulation has been the change from arable farming to pasture; and of late years it is to be found in the higher wages offered in the towns and colliery districts. Inadequate housing and a dearth of cottages are also given as contributory causes.

In considering the status of the agricultural labourer the Committee points out that in Wales no hard and fast line can be drawn between the labouring and the farming classes, which merge into each other, while the smallness of the farms prevents the specialisation of labour. The avail-

ble supply of agricultural labour is constantly declining, having fallen from 72,745 in 1851 to 43,818 in 1891 and to 38,492 in 1911. This has led to the employment of much inefficient labour provided by boys whom the farmers take from the industrial schools of England and this in turn accounts in part for the backward condition of Welsh agriculture. Low wages, insufficient and defective cottages, lack of prospects and opportunity for improvement are given in the Report as the main reasons for this falling off in the labour supply.

The following table from the census returns for 1911 shows the current rates of wages.

Earnings	No of Labourers of 20 years of age and upwards	Percentage of total
1s. and under 19s. per week . . . . .	7,497	27.4
4s. and under £1 per week . . . . .	11,801	43.2
1s. and over per week . . . . .	8,040	29.4
Total . . . . .	27,338	100.0

A similar table for England shows that over 60 per cent. of all agricultural labourers in that country are in receipt of less than 18s. a week. Thus will be seen that the wages question is much graver in England than in Wales.

The Report considers that there is every probability that economic uses, the increased prosperity of agriculture, improved conditions of sure, and combined action on the part of the labourers, will tend to raise the general level of wages in Wales. Still, there will remain a residuum of agricultural labour unaffected immediately by these causes, and it is to this residuum that statesmen will have to turn their attention. Cabinet Ministers in 1913, when outlining the future policy of the then Liberal Government with regard to land reform, spoke of the need of establishing a "minimum wage" for the farm labourer; and the same policy was then advocated by a group of Unionist members of Parliament in a pamphlet entitled "A Unionist Agricultural Policy", as well as by the Parliamentary Labour Party. These proposals which applied equally to Wales and to England, were set forth in the article on the Report of the Land Enquiry Committee for England in the *Bulletin* of June 1914.

The Report we are now considering expresses the opinion that such a minimum wage would do little to stem the tide of rural migration in Wales, and places more reliance on a policy of better housing and greater facilities for the labourer to secure land for himself.

### § 6. SMALL HOLDINGS.

The annual Reports of the Board of Agriculture show that the Welsh County Councils have been far less active than the English in providing small holdings under the Act of 1908, fully described in the *Bulletin* for March, 1911.

The total number of holdings held in Wales and Monmouthshire under the Act, as given in the report of the Board of Agriculture for 1913, is 801, an average of 61 for each county as compared to 205 for each county in England. Only 7 of these holdings have been sold to the occupiers, showing that very little use has been made of the purchase provisions of the Act.

Enquiries made by the Committee showed that the failure of the Act to do what was expected of it in satisfying the demand of the labourer for land is largely attributable to the difficulty experienced in buying or renting land at a reasonable price for small holdings, owing to the hostility of the landlords and large farmers. The difficulty is increased by the fact that most of the applicants desire holdings in the immediate neighbourhood of their homes.

As a remedy to these drawbacks the Committee suggests that the value of land compulsorily acquired under the Act should be settled by a Land-Court and that the basis of compensation should be the price which might be expected if the property were sold at the time, in its then condition, in the open market, by a willing seller.

### § 7. CO-OPERATION.

An important chapter of the Report is devoted to the subject of co-operation. As a country of small farmers and of mixed farming Wales offers a splendid field for co-operation, yet the movement initiated there in 1901 is still in its infancy.

The few co-operative societies confine themselves to the comparatively easy business of buying farm requisites. They make no effort to market farm products, though it is in collecting, grading, transporting and selling produce that the farmer has most to lose, and loses most.

The following figures from the summary for 1912 (the latest available on agricultural co-operative societies registered under the Industrial and Provident Societies Acts) show how undeveloped is this all-important phase of co-operation.

Societies for purchase of requirements . . . . .	54
Egg, poultry, dairy and other distributing societies . . .	5

The estimated membership of the Welsh co-operative societies in 1911 was 31,021, and their estimated aggregate turn over £. 1,133,083, this is only a fraction of the business which they should do if the movement were once properly developed.

The Report concludes that the two main obstacles in the way of co-operation in Wales are lack of education in co-operative methods and the prevalence of the credit system of purchase.

Enquiries made by the Committee showed that the establishment of a rational system of co-operative credit to enable the farmers to meet their liabilities promptly would be a most useful step toward improving agricultural conditions and promoting the development of co-operative buying and selling.

The pressing need is to free the farmer from the shackles of the credit system; for until that is done he cannot, much as he may wish it, take full advantage of co-operation.

The Report points out that on January 1st, 1913, there were 16,927 sound, flourishing co-operative credit societies in the German Empire. On the same date Wales had none of any importance, and in their stead stood the money-lender, the bank charging not less than 5 per cent., the credit auction with inflated prices, and credit from shop-keepers, auctioneers, cattle-dealers, etc. on terms that often compelled the farmer to sell only to the creditor.

Continuing under this head, the Committee points out that the fostering and extension of co-operation and the provision of credit facilities are two vastly important factors in any scheme of land reform, and consequently recommends the establishment of State Land Banks on the model of those which have been tried with conspicuous success in Australia. It must not be thought that the Committee, in recommending such banks, is hostile to co-operative credit associations. On the contrary, it heartily endorses Mr. Robert Mond's recommendations that the formation of co-operative credit banks be assisted by making debts owing to such associations a first charge on the property involved, by providing small sums towards the expense of establishing Credit Associations, by encouraging the investment of certain State funds, such as Savings Bank funds in such associations, and by the provision of free audit.

#### § 8. CONCLUSIONS AND RECOMMENDATIONS.

As the result of its investigations the Committee concludes that agriculture in Wales is in a backward condition, due largely to insecurity of tenure which makes farmers reluctant to spend money in improving their holdings and renders it difficult for them to obtain credit.

High rents, apprehension of increased rent on the tenant's improvements, onerous conditions of tenancy agreements, all tend to depress agriculture.

The Committee considers that nothing short of absolute security of tenure, subject to certain reservations, will meet the needs of the case.

Proposals for State aided purchase of holdings have been brought forward, but the Committee deems that before such proposals are discussed the immediate necessity of the tenant farmer is security of tenure, so that he may freely put his best into the cultivation of the soil without hampering himself by locking up his capital in the ownership of raw material.

To ensure such security of tenure the Committee recommends that provisions similar to those of the Small Landholders (Scotland) Act be embodied in a Land Act for Wales. This would ensure the establishment of a Land-Court to which the Committee advocates that the following powers be entrusted in the absence of agreement between landlord and tenant:

(a) to determine the conditions of tenancy including the period of renewal; (b) to fix an equitable rent; (c) to decide whether the landlord has reasonable grounds of objection to the tenant; (d) to value the tenant's improvements; (e) to determine the amount of compensation for damage done by game; (f) to determine whether the landlord has failed to provide and maintain buildings, etc.; (g) to decide whether the landlord may resume possession of the holding for non-fulfilment by the tenant of the covenants in the tenancy agreement or for purposes to be defined in a Land Act.

As to the question of administration, the Committee is of opinion that Welsh agriculture presents problems so essentially different from that of England that the fullest benefit from legislation on the lines indicated could only be secured by the establishment of an independent and sufficiently endowed Board of Agriculture located in Wales and empowered to deal with Welsh agricultural matters. Precedent for such action exists in the Board of Agriculture for Ireland and in that for Scotland.

Those who have read the articles on the Land Enquiry Reports for England and Scotland, already published in the *Bulletin*, will see that while conditions vary widely in the three countries, the reports agree in their recommendations on certain essential points.

In all three cases the Committees insist on the need of full security of tenure and increased facilities for securing small holdings for the tenant farmer as being the most important steps towards stemming the rural exodus and improving agricultural conditions.

All three reports also incline to prefer security of tenure under the protection of a Land-Court to State-aided or other forms of purchase by the tenant, as advocated by prominent reformers of the Unionist party on the ground that the farmer can employ his capital more profitably in farming operations than by locking it up in the ownership of the land.

The need for credit facilities, and the advisability that these be developed along co-operative lines is another point on which all three reports agree, and there is a consensus of opinion that if small holdings

are to be developed to economic advantage, co-operative methods, more especially in the marketing of produce, must be assiduously developed and promoted by education and by the provision of credit facilities.

For the time being all these proposals, which in the early months of 1914 loomed large on the political horizon in Great Britain, are in abeyance, but there is little doubt that with the return of normal conditions they will again be among the foremost problems to claim the attention of the statesman.

## ITALY.

### AGRICULTURAL STRIKES ACCORDING TO RECENT OFFICIAL STATISTICS.

#### OFFICIAL SOURCES:

STATISTICA DEGLI SCIOPERI AVVENUTI IN ITALIA NEGLI ANNI 1908 E 1909. (*Statistics of strikes in Italy in the Years 1908 and 1909*). Department of Agriculture, Industry and Commerce. General Division of Statistics and Labour, Labour Office, Rome 1915.

ANNUARIO STATISTICO ITALIANO (*Italian Statistical Yearbook*), Second series, Vol. III, 1913. Department of Agriculture, Industry and Commerce. General Division of Statistics and Labour, Rome, 1914.

BOLLETTINO DELL'UFFICIO DEL LAVORO (*Bulletin of Labour Office*) published by the Department of Agriculture, Industry and Commerce.

In our Bulletin of April, 1914, when treating of associations of employers, we observed that these had arisen in Italy with the object of opposing resistance to the frequently excessive demands of the labour leagues for better terms and higher wages. These associations have become widely spread, because of the increase of agricultural strikes in recent years. The report of an enquiry relative to the years 1908 and 1909 recently published by the Labour Office, gives us interesting information on agricultural strikes in Italy, enabling us by the abundance of particulars afforded, closely to examine these important questions of economic life.

#### § I. SOURCES OF NOTICES AND DATA AND THE ECONOMIC PHENOMENA CONSIDERED AS STRIKES.

The above mentioned inquiry was concerned with both industrial and agricultural strikes. To the consideration of these latter we now confine ourselves. As stated in the introduction to the report, the notices collected were drawn from the following sources:

(a) from manufacturers and proprietors affected by strikes; and when many undertakings or firms were affected, if it was not possible to obtain information from all, recourse was had to those who were the most pro-

ment either on account of the extent of their undertakings or the leading part they had performed in the negotiations and in resistance to the strikes.

(b) from strikers, and when there was no organisation, especially in all rural communes, from those who through natural capacity or from being taken part in the strike could give information; frequently also on the ordinary correspondents of the Labour Office, and in the case of agricultural strikes, from the local leagues. When it was not possible to obtain information directly from the persons concerned, the Office reverted to the prefects, who in every case are bound to send answers to a schedule of questions which serve as a useful check and supplement to the notices furnished by the interested parties. Economic phenomena having the following characteristics were considered as strikes:

(a) Demands for the improvement of the conditions of labour made immediately to the proprietors or manufacturers by whom the strikers were employed; (by "conditions of labour" are understood those concerning labour contracts, tacit or expressed).

(b) Abstention from work by employees. No difference is made between work already begun and work to be undertaken, provided the necessity of this latter was evident and at a date at least approximately determinable, nor is the duration of a strike, for a minimum period, nor a minimum number of workmen abstaining from work, nor a minimum duration of their abstention laid down as essential for the existence of a strike. Strikes are considered as such in the statistical tables even if they lasted only one day or less.

A strike, though affecting more undertakings and businesses than one, is considered as a single strike, when, while the object is the same and the date approximately so, there is solidarity not only among the strikers but also among the employers, so that the result may be attributed to the total pressure exercised by the united abstention from work. In agricultural strikes, since it is difficult to ascertain the extension beyond the confines of a single commune, the limits of the commune are almost always considered as those of the extension of the strike.

## § 2. GEOGRAPHICAL DISTRIBUTION AND CLASSIFICATION OF AGRICULTURAL STRIKES.

We shall now consider in a special manner the agricultural strikes of 1908 (one of the years to which the enquiry was directed). We shall subjoin an interesting table showing the number of agricultural strikes and strikers from 1881 to 1913.

In 1908 there were in Italy 286 agricultural strikes with 173,425 strikers. The greater number of strikes (112) were among day labourers, the number of strikers being 56,686.

The highest number of these strikes was reported from Emilia (28 with 12,671 strikers). Especially important both for number and extent were

those in the provinces of Bologna (11 with 4,955 strikers), Ferrara (7 with 4,495 strikers) and Ravenna (5 with 2,400).

Lombardy came next (23 with 7,037 strikers), among which Mantua held the first place (13 with 5,023 strikers, chiefly engaged in the cleaning of rice) and then Pavia (8 with 1,974) especially in Lomellina. In Venetia there were 16 with 3,081 strikers, and in Piedmont 15 with 8,460. Fewer strikes (12) but with a much larger number of strikers (20,870) occurred among the day labourers of Apulia. Finally, if we except Rome, with six strikes and 2,650 strikers, the remaining strikes of day labourers were of little importance. In Tuscany there were 3 strikes with 248 strikers, in Umbria there were 3 with 818 strikers, in Sicily 3 with 761 and in Liguria 1 with 90.

Little less numerous (109), but with a greater number of strikers (83,409) were the strikes of day labourers united with those bound by contract. Of these there were in Emilia 45 with 22,264 strikers, the greater part being in the provinces of Parma (19 with 13,856), Piacenza (15 with 7,701) and Ferrara (9 with 515). In Lombardy there were 29 with 14,954 strikers. Venetia follows with 21 and 15,406 strikers. Apulia shows a smaller number (11) but with a larger number of strikers than any other region (29,185); Foggia alone showing 8 strikes with 19,986 strikers and Bari 2 with 9,040. These strikes occurred generally during the reaping season. There were 3 strikes with 1,600 strikers in Piedmont (Vercelli).

A much smaller number (23) than those already mentioned among the agricultural classes take place among metayers and contract labourers with this difference that the number of metayers striking (12,190) was more than four times that of the contract labourers (3,005).

The highest number of strikes among metayers (19 with 3,817) is reported from Lombardy.

Strikes among contract labourers alone were likewise most numerous in Lombardy (10 with 772 strikers). Venetia came next (4 with 426), then Apulia, Campania and Emilia with three strikes each.

In the strikes in Emilia among day labourers, metayers and contract labourers, though but ten in number, large numbers of strikers (12,780) took part. These occurred more especially in the provinces of Parma (5 with 5,808) and Piacenza (5 with 5,760).

The same remarks may be made in regard to the strikes of metayers united with day labourers (9 with 5,355).

The following table shows the geographical distribution of agricultural strikes in Italy.

TABLE I. — *Distribution of Agricultural Strikes according to Region.*

Regions			Percentage of	
	Strikes	Strikers	Strikes	Strikers
Emilia	18	10,060	6.29	5.80
Pavia	2	190	0.70	0.11
Marche	85	27,565	29.72	15.90
Latium	41	18,913	14.33	10.90
Sicily	92	59,587	32.17	34.36
Puglia	5	248	1.75	0.14
Sardinia	4	1,488	1.40	0.86
Calabria	6	2,650	2.09	1.53
Apulia	3	370	1.05	0.21
Sardinia	26	51,320	9.10	29.59
Insular	4	1,034	1.40	0.60
Total	286	173,425	100.00	100.00

By this table we see that half of the strikes take place in North Italy (44 %); about two fifths (37.41 %) in Central Italy and little more than a tenth (11.55 %) in Southern and Insular Italy. The distribution of strikers seems much more uniform: Central Italy 36.89 %, Northern Italy 32.71 %, Southern and Insular Italy 30.40 %.

### §3. DISTRIBUTION OF STRIKES ACCORDING TO MONTHS AND CROPS.

The month in which strikes are most frequent is May: in this month 53 (36.72 per cent) have occurred, due for the most part to the great movements which took place in the provinces of Parma (23), Piacenza (20), Reggio (12) and Vercelli (11). Next comes June with 61 strikes (21.33 per cent). In the other months except February with 36 strikes (12.59 per cent), they are much more rare. In fact, from 20 strikes in March (6.99 per cent) the number descends to 15 in April (5.24 per cent), to 12 in January (4.19 per cent), 10 in July (3.50 per cent), 6 in August and November (2.11 per cent), down to a minimum of 5 in September, October and December (1.74 per cent).

The distribution of strikers shows analogous features. In this case also, May takes first place (80,047 strikers, that is 46.16 per cent) showing an even greater excess over all the other months, and including almost half

the number of strikers for the whole year. June again takes the second place with 40,632 strikers (23.44 per cent) and March comes third with 17,801 strikers (10.29 per cent). The other months follow at irregular distances.

As to crops we find that that which has suffered from the greatest number of strikes (58) and of strikers (49,769) is wheat; rice suffered in the next degree by 33 strikes (16,015 strikers), and lastly vineyards by 27 strikes (19,409 strikers). Of the 58 strikes and 49,769 strikers, connected as has been just stated, with the cultivation of grain, more than two-thirds of the strikes, (41) in which nine-tenths of the strikers (45,544) took part, occurred at harvest. There were thirteen strikes with 3,311 strikers during the time of threshing, two strikes with 480 strikers during the cleaning of the grain and two during the sowing.

During the mowing and gathering in of the hay crops and other cattle foods there were 14 strikes in which 4,866 strikers took part. In connection with olive cultivation there were 6 strikes with 1,853 strikers, with that of citrus plants three strikes with 761 strikers, with that of maize 6 with 1,443 strikers, and with hemp-growing 10 strikes with 973 strikers etc.

Lastly, in 31 strikes with 21,746 strikers all agricultural work was entirely suspended, and the livestock abandoned.

#### § 4. RESULTS AND DURATION OF STRIKES.

As to the results of the strikes, in proportion to their number, it was found that in many cases they are unfavourable to the workmen (23.08 %) an almost equal percentage (17.13 %) are slightly favourable; those on the whole favourable to the labourers or equally favourable to both sides form 16.08 %; finally, omitting those strikes of which the result is unknown (a percentage of 14.35), those of which the results are completely favourable amount to 13.28 % of the whole number of strikes.

When we consider the number of strikers, we find slightly favourable results decidedly predominate (28.49 %); next come the unfavourable results in almost the same proportion as above or 23.68 %; we observe a slightly larger number of results on the whole favourable (17.48 %) with on the other hand a slightly smaller number of cases of strikes the results of which were equally favourable to both sides (12.03 %) and we find a considerably smaller proportion completely favourable (4.62 %). The percentage in the case of strikes of which the results are uncertain remains almost the same as above (13.70 %).

The duration of the greater number of strikes is more than one day and less than six (30.42 %), or from six to ten days (26.92 %). Cases of longer duration are less frequent: from eleven to twenty days (11.89 %) from twenty one to thirty (3.50 %) from thirty one to fifty (1.75 %). The percentage increases perceptibly in cases of duration of more than fifty days (10.14 %). The percentage of strikes lasting only one day or less 7.34 % and that of those of unknown duration 8.04 %.

Similar proportions have been observed as regards the numbers of strikes when the duration of the strike is from six to ten days, (30.71 %) and of more than one day and less than six (28.67 %); then come the cases of those which last from eleven to twenty days (11.85 %), from twenty-one to forty (1.72 %), from thirty-one to fifty (1.15 %). The percentage of strikes where the strike lasts more than fifty days is remarkable (17.40). But here the strike lasts only one day or less the percentage is small (2.23 %) and likewise in the case of strikes of unknown duration (6.27 %).

#### § 5. EXAMINATION OF THE DEMANDS OF THE STRIKERS.

It is especially interesting to consider the demands made by strikers. In all 977 demands were made in regard to the monopoly of labour, wages, hours, share in produce, additional pay, difficulty or danger of the work. Let us consider these individually :

(a) *Monopoly of labour.* This class, the most numerous and varied, includes 307 demands, 38 of which require the establishment of a registry office; to 17 of these an unfavourable reply was given, to 14 a completely favourable reply, 2 received an answer on the whole favourable, in 1 case the applicants received half of what was asked and in 1 only a very small part; in three cases the result is unknown.

For the recognition of an organisation 32 demands were made; for joint and several liability 25, for the exclusion of unorganised labourers, 23.

For the abolition or limitation of the use of machines 17 demands were made, 15 of which were refused. There were 15 demands for the appointment of a commission of arbitration, to all of which an entirely favourable answer was given; 14 for labour shifts and 14 for continuity of labour; 13 for the right to organise and to strike, 9 of which received a completely favourable answer, 3 an answer on the whole favourable, and in one case (the answer is unknown); 13 requested a holiday on May 1st., which was granted in almost every case.

Demands of other kinds are less numerous; their object is generally to obtain for labourers the exclusive right to work as metayers, the prohibition of exchange of labourers; exemption of the metayer from the duty of doing certain work for the land owner, or payment or increased payment for such work; preference to be given to local labourers; the exclusion of foreign labourers.

(b) *Wages.* Demands in regard to this are more numerous (283) than by others except those regarding the monopoly of labour. Of these more than two-thirds (199) are for increase of wages. The answer given was favourable in 50 cases, unfavourable in 37; an answer half satisfactory was given in 35 cases, one favourable in a very small degree in 34, and one favourable on the whole in 27; the answer received in 16 cases is unknown. The next numerous class of demands is much lower, namely twenty-five made for equalisation of wages and thirteen for an increase of payment in kind to labourers bound by contract. There were besides eight demands

for payment by the hour, and eight for an increase of wages according an annual tariff. There were six demands for payment of wages in money instead of in kind, five for the observance of a tariff, four that wages should not be reduced, three that wages should not be forfeited on account of unfavourable weather, two for payment by the day instead of by the job etc.

(c) *Hours of work.* In regard to this matter, 177 demands were made of which more than three-fourths (140) were for a reduction of the number of hours. The result was on the whole unfavourable in 59 cases; the completely or slightly favourable replies were 28 in number. For a fixed time table a far smaller number of demands were made, that is to say eight of which received a favourable answer. In eight strikes a demand was made for one holiday a week and in six cases granted. Four demands were made that the time spent in going to work should be included in the hours of work.

(d) *Share in the profits.* In regard to this, 108 demands were made. Thirty concerned the increase of the shares in the profits and twenty-two more than two-thirds of these, received entirely favourable answers. Twenty-one demands were for reduction of or exemption from expenses and in twelve cases the result was favourable. Next in order of frequency come seventeen demands for fixing or reducing payments in kind and largesse, fifteen for reduction of rent, and ten for a uniform system of metayers' contracts. These last were all granted. Other less numerous demands were presented for improvements in metayers' contracts generally for the regular keeping of accounts between landlord and tenant, and for grant or better distribution of water for irrigation purposes.

(e) *Additions to wages.* There were 89 demands made in regard to this. Of these 22 concerned the revision of the rents of houses inhabited by labourers in Parma receiving food and lodging. All of these were rejected. Next come eighteen for insurance against accidents, ten of which received completely favourable answers; fifteen for assistance in case of illness, thirteen of which were granted, and nine for higher payment for overtime and for work done on holidays, etc.

(f) *Danger and difficulty of labour.* In regard to this the demands were neither so numerous nor so varied. There were indeed only thirteen of which twelve were for limitation of work and one for exemption from labour outside the labourers' duties.

About half of the whole number of demands (460 or 47.1 %) were presented in Lombardy, 188 (19.2 %) in Emilia, 154 (15.8 %) in Venetia, 93 (9.3 %) in Apulia, 27 (2.8 %) in Piedmont and 22 in Rome. In other parts of the Kingdom there were few demands regarding wages and hours.

#### § 6. THE NUMBER OF STRIKES OF AGRICULTURAL CHARACTER FROM 1887 TO 1913 AND THE NUMBER OF STRIKERS.

Lastly, to give an idea of the frequency and intensity of strikes in Italy, we have reproduced from the above-mentioned statistical reports

the following table showing the numbers of agricultural strikes and strikers from 1881 to 1913. But it must be remembered that the data referring to the years from 1910 to 1913 have been reproduced from the *Annuario Statistico Italiano* (Second Series, Vol. III) because the above-mentioned table contained figures only up to 1909, and the figures for 1913 are only provisional.

TABLE II.— *Number of Agricultural Strikes and Strikers from 1881 to 1913.*

Year	Number of Strikes	Number of Strikers	Year	Number of Strikes	Number of Strikers
1881 . . . . .	1	100	1889 . . . . .	36	8,495
1882 . . . . .	2	2,200	1899 . . . . .	9	1,895
1883 . . . . .	3	262	1900 . . . . .	27	12,517
1884 . . . . .	10	245	1901 . . . . .	629	222,583
1885 . . . . .	62	8,857	1902 . . . . .	222	146,706
1886 . . . . .	17	3,846	1903 . . . . .	47	22,507
1887 . . . . .	9	2,275	1904 . . . . .	208	94,756
1888 . . . . .	5	1,366	1905 . . . . .	87	43,695
1889 . . . . .	4	1,087	1906 . . . . .	342	117,065
1890 . . . . .	8	1,950	1907 . . . . .	377	254,131
1891 . . . . .	24	7,795	1908 . . . . .	286	173,425
1892 . . . . .	10	3,504	1909 . . . . .	132	46,569
1893 . . . . .	18	12,390	1910 . . . . .	97	25,805
1894 . . . . .	8	4,748	1911 . . . . .	148	132,738
1895 . . . . .	7	1,765	1912 . . . . .	176	95,841
1896 . . . . .	1	100	1913 . . . . .	94	85,000
1897 . . . . .	12	24,135	—	—	—

This table shows that the strikes which in 1907 reached a maximum both as regards frequency and number of strikers (377 strikes and 254,131 strikers), began to diminish in number in 1908, though still numerous and extensive, and in 1909 showed a very remarkable decrease. In 1908 there were 286 agricultural strikes and 173,425 strikers and in 1909 these figures fell respectively to 132 and 46,569. In 1910 the decrease was accentuated, but in 1911 and 1912 there was a sudden increase in the number of strikes, which rose from 97 to 148 and 176. But in 1913 there was again a decrease, the number of strikes falling to 94.

MISCELLANEOUS INFORMATION RELATING  
TO AGRICULTURAL ECONOMY IN GENERAL.

UNITED STATES.

I.—THE PROPOSED FEDERAL CONTROL OF PUBLIC GRAZING LANDS.—From time to time during the past ten years bills have been introduced in Congress for the purpose of regulating grazing rights over the unalienated public lands of the United States. The most recent bill, introduced in 1914 by Representative William Kent of California, met with the approval of most of the persons and associations interested in the question. In brief, the Kent bill (which did not succeed in passing Congress) provided for the creation of grazing districts by proclamation, and for the issue of grazing permits or licences upon the payment of certain fees. Twenty-five per cent. of the receipts from fees was to be paid over to the authorities of the district within which the lands leased were situated to be devoted to the development of the public schools and the construction of roads. In issuing permits the claims of the actual occupants of the land were to be given priority. Local committees upon which the various interests in the land were represented were to act in co-operation with officers appointed by Government in dividing the land available between the different kinds of stock and determining the number of animals that could profitably be grazed.

The need for apportioning the land between the rival interests of sheep-breeders and cattlemen is clearly recognised. Where sheep and cattle are grazed upon the same range there is constant friction, and sometimes actual fighting and bloodshed, between the men employed in tending the flocks and herds. Moreover, the present system of unrestricted right of pasture over unappropriated public lands is admittedly wasteful and is leading more or less rapidly to the destruction of what ought to be the permanent grazing value of the land. Under a system of wise regulation the perpetuation of the valuable range grasses could be secured, encouragement would be given to the development of water supplies upon which the value of grazing ranges so largely depends, unused areas would be opened up, and it would be made profitable to devote attention to improvements in breeding.

The importance of the question of developing the national grazing areas is easily realised. The public grazing lands of the United States, situated almost wholly in the States of Arizona, California, Colorado, Idaho,

Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming, occupy some 280,000,000 acres, or nearly one-sixth of the area of the United States, excluding Alaska. On this public domain are now no less than 16,000,000 head of sheep, 4,000,000 head of cattle and 300,000 horses. The high cost of living, and in particular the high price of meat, is already attracting attention, and if the public grazing lands are exploited instead of being wisely used and carefully conserved, the cost of living will undoubtedly continue to rise. It is calculated that under a system of intelligent regulation the number of sheep and cattle which could be supported on the public ranges might be increased no less than fifty per cent., and an increase in supply of these dimensions ought to have a appreciable effect on the cost of meat.

This estimate of an increase of fifty per cent. in the stock-carrying capacity of the public lands under regulation is made by Mr. Dwight B. Leard, President of the American National Live Stock Association, in an article in the *American Review of Reviews* for September, 1915, and Mr. Leard supports his opinion by referring to the results of federal control of the grazing in the National Forests. Some twelve years ago the grazing in the forests was placed under the administration of the Forest Service which upon taking charge instituted a system of grazing licences issued upon the payment of reasonable fee. The system of regulation met at the time of its introduction with the most violent opposition from the cattlemen who had had till then free use of the forest ranges, but to-day after experience of the working of the system the same men are practically unanimous in preferring regulation, while the number of head of stock grazed has increased almost fifty per cent.

The experience of the state of Texas has been very similar. The grazing lands there have been allotted under a system of leases and now support fifty per cent. more cattle than in the old days of free and unlimited grazing, constant disputes, occasional murder, and rapid destruction of valuable pasture land.

One bill introduced in the same session of Congress as the Kent bill succeeded in passing the House. It was introduced by Mr. Ferguson of New Mexico and is generally referred to as the Ferguson Grazing Homestead bill. It provides for the acquiring of grazing homesteads of 640 acres within areas specially designated by the Secretary of the Interior, no area being designated for settlement unless the land is of such a kind that 640 acres of it will support a family in reasonable comfort.

It is anticipated that in certain parts of the West a considerable number of such homesteads will be selected, but the area settled in this way will in any case be but a small proportion of the total area of grazing land still unalienated.

2. — DIRECTOR OF MARKETS APPOINTED IN IDAHO. — Following the example of the federal Government, several of the states have proceeded to

establish a new division of their State Department of Agriculture to be known under the name of the "Office of Markets" or under some name closely corresponding. North Carolina has had an office of this kind conducting investigations for some time past; Texas, in 1913, granted an appropriation of \$15,000 for the purpose of collecting information on marketing methods; Idaho has quite recently (in the session of 1915) passed an act establishing an "Office of Director of Markets."

The Director is to be appointed by the Governor and is to hold office for two years at a salary of \$2,500 a year. Presumably his continuance in office depends upon his reappointment at two year intervals so that he has little in the way of security of tenure.

His duties as laid down by the Legislature are "to promote, in the interest of the public, economical and efficient production of all farm products." The real problem upon which he has to work is that of marketing farm products, and this problem in itself is sufficient to occupy the whole of any one man's time and energy. It is rather unfortunate, therefore, that a very wide scheme of work has been outlined for performance and a writer in the *American Economic Review* for September (Mr. A. W. Taylor, Washington State College) would seem to have good grounds in his opinion when he says that among the many lines of work which the Director is instructed to undertake "little of definite value can be expected that will shed light on the main problem, that of marketing farm crops."

The Director is authorized to establish a service for the dissemination of news regarding crops, freight rates and the charges of commission dealers. He has to investigate the transactions of middlemen and prevent fraud. He is expected to promote rural betterment and, so far as lies in his power, to provide equality of opportunity for all farmers in Idaho. He has further to fulfil the duties of an immigration agent, assisting settlers to make a wise selection of land, protecting them from unscrupulous land agents and prosecuting in cases of misrepresentation or fraud in the sale or transfer of real estate. His office is to act as a farm labour exchange and is authorized also to register lands for sale, charging a fee of one dollar in registration and a commission of one per cent. upon sales effected.

Mr. Taylor comments upon the duties imposed upon the Director as follows,—"Much as all these phases of agriculture need attention, it should be evident to anyone who considers the matter seriously that one official can not attend to duties so varied as those enumerated and do justice to them."

The marketing problem in the Northwestern states is a serious one and it has been aggravated in the case of Idaho by real estate boom during which many settlers paid inflated prices for land, especially for irrigated land. Agricultural production has been largely increased by the influx of immigrants and demand has not kept pace with supply. It remains to be seen if a wider market can be created for the products of Idaho farms.

FRANCE.

I. — THE SUPPRESSION OF THE FISCAL PRIVILEGES OF BOUILLEURS DE CRU (1). — On August 26th., M. Ribot, the Minister of Finance, laid before the the Chamber of Deputies a bill of great importance. It aims at reducing alcoholism in the country districts by suppressing the fiscal privileges of the *bouilleurs de cru*, without, however, the producers being injured or the State or communal finances suffering.

In 1903, a law suppressed the privileges of these distillers, except, however, in regard to an amount fixed in advance for the amount of spirits consumed by the household. The officers entrusted with the supervision of the application of the law had to make search at the houses, and this caused such discontent in the country that in 1906 the privilege was re-established. The provisions of M. Ribot's bill, involving a thorough recasting of the fiscal system in regard to alcohol, avoid this difficulty.

Henceforth, distilling can no longer be carried on at home. The stills in the possession of private persons, in regard to which the excise office is thoroughly informed, will be bought at the desire of the distillers. So there will be no more searching of houses, as there will be no more stills. The distillation will be done for the small farmers in public establishments, such as have already been formed by the producers in several departments, especially in the Charentes district, and there the work will be supervised. All the alcohol for sale, whatever its origin, will pay the same dues. The rate will be raised from 220 fr. to 500 frs. the hectolitre. But town dues will be suppressed. For the town of Paris, where the 220 frs. per hectolitre are increased by 195 frs. town dues, there will therefore be an additional charge of 85 fr. The increased charge will naturally be more considerable in those towns where the town dues are less or where there are no town dues. By way of compensation, the fifth part of the yield from the dues will be distributed among the communes in accordance with a table, and rural communes will be favoured. They will receive an important proportion of the excise dues, which will be the larger, as no town dues were levied by them. This will enable them to bear the decrease in the land tax.

In 1900, the increase of the excise dues from 156 fr. 25 to 220 frs. had reduced the consumption from 1,750,000 hl. to 1,350,000 hl. It is to be expected that the increase from 220 frs. to 500 frs. will have an even more considerable effect. Reckoning the future consumption at about 1,000,000 hl., the Minister of Finance finds that not only will the State lose nothing, but it will collect some scores of million francs more than today, especially as an extra tax of 100 frs. per hectolitre will be levied on *apéritifs* and liqueurs.

(1) The *bouilleur de cru* is a land holder or tenant farmer who distills exclusively from wine, cider etc. of his own production.

The employment of certain ingredients in the composition of cheap *apéritifs* and liqueurs is forbidden: especially, thuyone, salicylic ethers and benzoic aldehyde, which were above all used in the preparation of imitation kirsch. The proportion of essential oils in all liqueurs is limited to 0.50 gr. per litre.

To protect the interests of the producers, the Government proposes largely to extend the consumption of industrial alcohol for industrial purposes. With this object from 1917 it will keep the monopoly of industrial alcohol, so as to obtain the fixed price necessary for industrial purposes. It will then endeavour to find new uses for it, especially in connection with the motor car industry.

Thus this great reform establishes general supervision in the case of alcohol for consumption and the monopoly of industrial alcohol. It is inspired by the requirements of public health and safeguards the interests of the producers, the trade and the Treasury.

2. — SUBVENTIONS FOR CULTIVATION WITH THE HELP OF MOTORS.—A Decree of the Minister of Agriculture of September 1st., 1915 has just regulated the grant of these subventions, as under:

Art. 1. Agricultural groups of at least seven members (professional syndicates, co-operative societies, syndicate associations) may receive for purposes of experiment and demonstration, subventions from the Department of Agriculture, for purchase of machine motors for cultivation, in accordance with the following rules.

These subventions may in exceptional cases also be granted to communes, during the war.

Art. 2. Applications for subventions must be addressed to the Minister of Agriculture through the Prefect. They must be accompanied by the Prefect's report and the following documents drawn up or passed by the manager of the agricultural services of the department.

(1) Descriptive estimate and price of machine as well as statement of the mode of payment agreed to by the supplier;

(2) Regulations in regard to the conditions of the use of the machine;

(3) In case of an agricultural group, two copies of the rules of the syndicate, society or association, and a note showing the number of members, the capital at their disposal and the bases on which the expenditure and collective charges are distributed among them;

(4) In case of a commune, a vote of the municipal council authorizing the operation and fixing the amount of the funds by which the expense is to be met;

(5) A report showing the topographic and soil characters of the region in which the machine is to work, the area to be cultivated, the mode in which it is divided and the general details of the plan.

Art. 3. The subventions are distributed by the Minister of Agriculture, after consulting with a special commission composed as follows:

The director of agricultural instruction and agricultural services, president.

The head of the agricultural mutual credit and co-operation service;

A general inspector of agricultural improvements;

The general inspectors and inspectors of agriculture;

The director of the machine experiment station;

The secretary of the agricultural labour commission;

An officer of the agricultural encouragement bureau, as secretary.

Art. 4. The amount of the subvention is fixed in accordance with aable approved by the distribution commission, subject to the approval of he Minister. It cannot exceed the third part of the expenditure for the purchase of the machine, and the fourth of that amount in the case of a group which also applies for agricultural credit.

These maxima may be raised respectively to one half or one third in the case of regions that have suffered by the war.

Art. 6. The agricultural groups subsidised may not place their machines at the disposal of persons other than their members.

3. — AN INTERESTING EXAMPLE OF THE APPLICATION OF THE SMALL HOLDINGS LAW. — The Saint-Omer Real Estate Credit Society held its annual general meeting meeting on June 29th., 1915. This society is one of the oldest and most important, founded for the application of the law of April 10th., 1908, facilitating town and country workmen to obtain small holdings. The Real Estate Credit Societies receive, as we know, advances from the State at 2 % and lend (on the security of mortgage and life insurance) to persons of small means 4/5ths. of what they require either to purchase or build a healthy house, or purchase a field or garden of one hectare area and a maximum value of 1,200 frs., which they undertake to cultivate them-selves.

The report of the board of management of the Saint-Omer Society shows that since its foundation (May 2nd., 1912) the Society has made 83 loans for an amount of 312,162 fr. 70. One of the borrowers died on March 27th., 1914, after having contracted a loan on January 13th. of the same year; the National Insurance Institute paid the society the amount assured by it on his life (3,330 frs.) as soon as it heard of the death.

Of all these loans, 63 are to be repaid in 25 years, the others at earlier dates, the earliest being 10 years.

The average loan is 3,762 fr. 50, if the society advances the life insurance premium, and otherwise 3,277 fr. 50.

The instalments to be paid by the borrowers vary from 6 frs. to 35 frs. per month; in one case only reaching 40 frs. per month.

It is interesting to observe that the number of the persons engaged in agriculture who have recourse to the Real Estate Credit Society is particularly large. In the statistical tables showing the profession of the borrowers, farmers, agricultural labourers, gardeners and shepherds head the

lists. Fourteen loans were made to members of these classes. Then come office and commercial employees, 12 in number, next railway employees 11 in number etc.

Twenty nine of the properties bought by means of loans from the society are situated in towns and 54 in the country.

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*, August, 1915)

4. — AGRICULTURAL INSTITUTE FOR PERSONS DISABLED IN WAR. — The *Union du Sud Est des Syndicats Agricoles* has decided, with the assistance of the Paul-Michel Peiret agricultural institution, to found an agricultural institute for persons disabled in the war, at Limonest, 7 km. from Lyons.

This Institute offers its services to the disabled, either definitely exonerated from service as unfit, or temporarily on leave. For admission, the applicants must undertake to conform to the rules of the establishment and promise to study the methods of agricultural improvement and adaptation, and attempt to take part in general agricultural work according to their abilities. Free lodging and board will be assured to them by means of benevolent donations.

The thought inspiring the South East Union in this action is the desire to show that the agricultural profession is not closed to those disabled in war, that, on the contrary, there is more comfort and security for them to be found in it than in industrial or urban professions. It is even possible in fact that those who have had an arm amputated may adapt themselves better to agricultural than to industrial work. But, in order to encourage combatants to return to the country, who have been born there or are attached to it by family ties or through property possessed there and to maintain themselves in their profession and in their environment, it is necessary to educate them again to agriculture. This is the aim of the General Institute for the Disabled, founded by the South East Union. It will seek:

1. to discover systems, implements and methods which will enable the disabled to do work they perhaps believed themselves unfit for (for example study the methods and implements that will enable a man with one arm to plough).

2. to discover and give instruction in regard to labour or cultivation possible for the disabled, and able either to yield them an accessory revenue, or even to be their sole and principal occupation (for example, beekeeping, gardening, arboriculture etc.), the return from which, together with the pension from the State will enable a disabled landowner to work and live, provided he has assistance for work exceeding his strength.

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*, September, 1915).

## GABUN (FRENCH COLONY).

LAND POLICY AND NATIVE AGRICULTURE. — On June 15th, 1915, the Governor of Gabun, M. Guyon, communicated to the Colonial Institute at Marseilles the instructions he had just prepared with a view to the formation of native plantations of cacao trees and the progressive organization of the natural palm groves. The programme of the Government of the Colony consists of two quite distinct portions.

1st. The formation by the natives of cacao plantations by preference on the site of palm groves, the yield from the palm trees enabling the cultivators to wait without anxiety for the slow cacao harvest.

2nd. The progressive utilisation of the natural palmgroves in the neighbourhood of native villages.

The intention of the Government is not to form immense scientifically organized plantations, but many little farms. It professes to be pried by the example of the Gold Coast, which exports 40,000 tons of cacao a year and the prosperity of which is due to the manifold and persistent efforts of the native farmers.

The Governor urges his subordinates to make the natives understand that, if they wish to improve their material conditions, they must not confine themselves to the cultivation of manioc and bananas for consumption. The work required for such cultivation does not suffice to keep the natives occupied, and he remains idle a large part of the year. He must be taught to devote his free time to such cultivation as will bring him in a revenue and to profit by the wealth that nature has placed within his reach, in the form, for example, of cabbage palms.

So much said, we shall now mention the practical measures the Governor proposes in order to promote the foundation of these small farms, subject to circumstances which can only be appreciated on the spot, the Governor lays it down as a principle that, in the case of each village presenting the necessary aptitude for production, on an average a family of four adults of either sex shall be required :

1st. to plant forty cacao trees a year. This is no heavy task, since one day a single person can easily dig ten pits to receive the cacao plants and seeds.

2nd. to ensure the maintenance in good order of the plantations and the cultivation of the trees that has been begun, to proceed each year to substitute new trees, form new plantations and progressively organize the plantations. This means that in eight years' time, for example, a family of four persons will have planted and cultivated 320 cacao trees and will under its charge 80 palms. At that date, the farm would be ready to give a return, and would have about 200 cacao trees and from 60 to 70 palms, altogether 300 trees, from which a certain revenue could be obtained.

tained after deduction for losses. These 300 trees would cover an area less than half a hectare, as 1,000 cacao trees and 180 palms are reckoned to the hectare. A group of four farmers will be able without difficulty to maintain a plantation of this area, as on European farms, one native woman suffices for a hectare of cacao trees.

In order to realise this programme, it is of the greatest importance to prepare the natives for collective effort. This is a condition necessary in the continuance of the work, the due maintenance of the plantation and the palm trees. It is then important in the first place, that the plantation and the cultivation of palms be undertaken by the different villages under the authority of the Chief and the supervision and control of the "chef de subdivision", who must not fail to make the native groups clearly understand that the profits from the labour thus demanded from them will be exclusively their own.

The "chef de subdivision" shall proceed in this spirit to the selection of suitable sites, with the assistance of the Inspector of Agriculture. This latter functionary will then instruct the planters in regard to the clearing of the land, the preparation of the soil, the planting of the seeds and trees, the distribution of trees for shade and shelter, the management of the palm trees, and the care to be given to the young plants.

Plants and seeds will be supplied by the Agricultural Department and distributed freely to the planters in presence of the village chiefs. With this aim, the Department has this year started large nursery gardens at Libreville experimental garden, and will be able in the next rainy season to supply about 100,000 cacao trees. The manner of distribution will be noted in the registers of cultivation of the Subdivisions, which we instituted in connection with the distribution of encouragement prizes to the cacao palm growers. The natives will be advised of the penalty they will incur, if, through their fault, these seeds or plants are lost or not used. Under certain conditions, such an event will be considered as constituting a fraud, to be punished by the native court. The cultivators will be further bound to conform to the technical prescriptions laid down by the Agricultural Inspector, and those who show themselves negligent or refractory may be considered as without ground refusing to conform to the Government instructions, which is an offence punishable under the Native Code. However, the Governor urgently recommends that severe measures be not resorted to until all possible means of persuasion are exhausted. "Systematic reprisals", he says, "would discourage the natives. The results desired may be obtained by firmness but above all by perseverance and supervision of the planters' work."

In spite of the difficult situation created for Gabun by the state of war, first attempts have been made in two districts near Libreville. The experiments now being carried out in the region will serve as a basis for future efforts, and, gradually, as circumstances permit, the application of the programme will be extended to other districts. In a few years, the colony will have a respectable number of cacao trees and palm trees at the cross will considerably increase the export trade.

In addition to this, not only will the foundation of these native farms no way interfere with the working and the progress of those belonging to Europeans, but it will be a means of increasing the prosperity of the latter. The cacao harvested by the natives will be for the most part bought by the colonists and the produce of the palm groves will contribute to supply the factories set up by the colonisation societies. To these results we must add those which a more advanced agricultural education of the natives will give. The effect of the action of the Government will be to interest the native population to a greater extent in the working of the soil.

The number of agricultural labourers will necessarily increase, which will ensure the colonisation societies of a supply of labour under better conditions.

(Summarised from *Expansion Civile*, bulletin of the *Institut Colonial Marseillais* of the first half year of 1915).

#### PROTECTORATE OF MOROCCO.

ESTABLISHMENT OF A DEPARTMENT OF AGRICULTURE, COMMERCE AND COLONISATION. — The need has been increasingly felt in Morocco for an organisation in which the study of the problems of colonisation could be centralised. General Liautey has just founded one. A "Dahir" of August 10th, 1915 sets forth its aim.

At present, matters relating to colonisation are dealt with by various state services, only one of which, that of Economic Investigation and Information, is directly dependent on the General Secretariat of the Protectorate; the others depend either upon the General Department of Public Works (Agricultural Services and Service of Waters and Forests), or on that of Finance (Domains Service and Preservation of Homesteads Service).

Now in view of the increasing development of European interests in Morocco and the still greater extension they will probably attain, it is essential that all questions relating to colonisation should be made to harmonise, centralised, and made to depend immediately upon one organisation. Incontestable advantages would be derived from this in the direction of the rapid solution of difficulties and in the facilitations the colonists, both those long established and the new arrivals, would have in knowing to whom to address themselves and in having the sources of information and the organizations for deciding questions centralised.

The central organization can only be the General Secretariat of the Protectorate, upon which all the services relating to colonisation would henceforth directly depend, the Agricultural Service and the Service of Economic Information united in one department, under the name of *Department of Agriculture, Commerce and Colonisation*, the Service of Waters and Forests, the Domains and Preservation of Homesteads Services.

Consequently, the " *daahir* " institutes a Department of Agriculture, Commerce and Colonisation for the Shereefian Empire which will act as a Service of Agriculture in the strict sense, a service of Economic Investigation and Information, and will deal with problems in connection with the organization and work of Chambers of Commerce, Industry and Agriculture, and various similar associations of Europeans and natives, the livestock improvement and epidemic cattle disease service, that for the repression of fraud in the sale of goods and the adulteration of food stuffs and agricultural produce, the working of industrial and agricultural chemical laboratories, matters in connection with European and native thrift, mutual aid, and credit societies and generally every question affecting agriculture, commerce and colonisation.

(Summarised from *Afrique Française*, the monthly bulletin of the French African Committee and the Morocco Committee, September, 1915.)

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO  
AGRICULTURAL ECONOMY IN GENERAL.

UNITED STATES.

STUDIES IN FARM TENANCY IN TEXAS. *Bulletin of the University of Texas*. No. 21, 1915, pp. 151.  
Austin, Texas: Published by the University.

This volume is in the main the work of members of the teaching staff and graduate students of the University working in the Division of Public Welfare of the Department of Extension. Two out of the ten chapters have been contributed by workers in other Divisions of the University of Texas.

The problem examined is the familiar one of the increase of farm tenancy during the three decades from 1880 to 1910. Throughout the United States in these thirty years the proportion of tenants among farmers increased from 25.6 to 37 per cent. In Texas tenants increased relatively from 37.6 to 52.6 per cent. In the row of states from South Carolina to Texas, with Arkansas and Oklahoma to the north, three out of every five farms are worked by tenants, a much higher proportion than is found in any other considerable area in the United States. Texas may be taken as substantially representative of conditions within this group.

In the same group of states the bulk of the American cotton crop is grown, the great proportion of the negro farmers are found, and the evil of universal credit at exorbitant rates is greatest. The problem is all of a piece. The tenant, coloured or white, with no capital, ignorant and shiftless, is supplied with everything upon credit either by the landlord or by the merchant upon the landlord's guarantee, upon condition that he cultivates cotton and nothing but cotton and shares the crop with the landlord. The cultivator accepts the condition because he has neither the ability nor the capital necessary for any higher type of farming. Cotton is a laborious but not an exacting crop to grow: it will deteriorate if neglected, but will not be lost entirely by a couple of day's neglect as many other crops would. Moreover, it can be turned into cash as soon as produced and it is seldom a total failure. It often sells, it is true, at a price so low that the whole crop does not suffice to pay off the tenant's debt to the landlord or the merchant, but that is not looked upon as a matter for regret, since it ensures that the tenant must bind himself to produce cotton again in the following year.

Can this vicious system, compounded of tenancy, easy credit at ruinous rates, and the single crop which exhausts the soil, be broken up? That is the chief agricultural problem of the South.

Without doubt it can; and we note with pleasure that the conclusions of the volume before us are optimistic in tone. The writers present no sovereign remedy, no panacea for all the ills the land is heir to. They are, indeed, so conservative that their first proposal is that compulsory education be extended, and agricultural high schools established. Next they insist that some simple system of registration of land titles is needed, and suggest that a careful study should be made of the question of instituting some kind of graduated land tax and an inquiry made into the working of the homestead law. The writers would like to see the chattel mortgage abolished but recognise that it will probably survive until diversified farming has been taught to the people of the South. Numerous admirable agencies are spreading a knowledge of stock-breeding and crop-rotation and the outlook in this direction is encouraging. Finally, it is proposed that a Land Commission should be established and should undertake the task of drawing up suitable contracts of lease with the object of securing the longer occupation of holdings and providing for the carrying out of much needed improvements upon the land.

The volume belongs to the class of monographs which aim at disseminating information and building up a sound public opinion with regard to important questions upon which, sooner or later, it will be necessary to legislate. The idea is excellent, and in carrying it into practice it is obviously advisable to present sufficient statistical data to support the argument in hand. But it would be a mistake in tactics to overload the text with figures, and the writers of these *Studies* have perhaps erred in this direction. It is just a little difficult to see the wood for trees. In the first chapter occupying thirty-five pages we are called upon to examine sixteen maps and nine diagrams, and this we fear is rather more than the average reader is capable of assimilating. The average reader (it is worth while remembering) is apt to become either nervous or depressed in the presence of many decimals, and even a hardened reader may be excuse if he gazes somewhat wearily at the sixteenth map of Texas.

CARVER (T. N.): THE ORGANIZATION OF A RURAL COMMUNITY. Pamphlet. pp. 58. Washington : Government Printing Office. 1915.

This is a reprint of an article contributed by the distinguished economist to the Year Book of the Department of Agriculture for 1914. Dr. Carver fills the position of Adviser in Agricultural Economics to the Department and prepared this study for the use of the Office of Markets and Rural Organization.

Briefly, Dr. Carver here outlines a plan for the organization of the members of a rural community into a number of committees for the purpose

carrying out schemes of economic and social betterment. He does not, of course, suggest that his plan and the schemes which he outlines shall forthwith be adopted and put into practice in rural communities everywhere throughout the United States. In the first paragraph of his article he says it down that there must be a clear and definite need for organization of a community before any part of the plan can hope to achieve success. He deprecates haste, and warns would-be reformers that careful study must precede action. "A few bad mistakes and conspicuous failures," he says, "will discredit the whole movement and put it back for a generation."

Where there is a clear need and a real demand for organized action, Dr. Carver proposes that a central or executive committee should be established, which committee should direct and co-ordinate the work of committees appointed for specific purposes. Each and every member of the organization should be assigned to one or other of the committees, and naturally, each would be assigned to the committee in the work of which he or she was most interested. The central or executive committee would be composed of the chairmen of the various separate committees, with a president, secretary and treasurer.

Taking the business interests of the community first as of fundamental importance, Dr. Carver proposes that committees should be formed to deal with (1) Farm production, (2) Marketing, (3) The acquisition of farm supplies, (4) Farm finance and accounting, and (5) Communication and transport. To deal with the community's social interests committees would be appointed on (6) Education, (7) Sanitation, (8) Recreation, (9) Beautification, and (10) Household economics.

The central committee would direct the general policy of the organization, have charge of all property either owned or rented, raise all funds needed, appoint all paid officers if any are needed, and conduct all correspondence with other organizations of a similar character, as well as with business firms, banking houses, railway companies, manufacturers and dealers. It is not necessary for us to follow Dr. Carver in outlining the work of the separate committees. The nature of the work which each is intended to undertake is sufficiently indicated in its title.

The study contains a great many useful suggestions and is, in fact, a kind of summary of all the officially approved advice, which has been offered to the American farmer in recent years. Some of this advice, perhaps, runs the risk of being disregarded on account of its complexity. Rural organisation must, in its beginnings, proceed on very simple lines; elaborate schemes can only be carried out when the rural communities have become thoroughly accustomed to combined effort. Dr. Carver himself warns us that his own scheme should only be regarded as an ideal towards which to work.

NOTICES RELATING TO AGRICULTURAL ECONOMY IN GENERAL

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ALLEN (C. E.): GREATER AGRICULTURAL EFFICIENCY FOR THE BLACK BELT OF ALABAMA  
*Annals of the American Academy of Political and Social Science*, pp. 187-198. September, 1915. Philadelphia.

In this paper in the *Annals* the writer first endeavours to show in as impressive a manner as possible yet with scrupulous fairness the agricultural situation in those counties in Alabama in which negroes form a majority of the population — the so-called "Black Belt," — and then discusses the possibilities of developing greater agricultural efficiency in this region.

For the purpose of showing what the actual situation is, he compares production in 1910 in the twenty-one counties forming the Black Belt with production in an equal number of counties, lying north and south of the Belt, in which whites predominate. In the Black Belt the average production of cotton per acre was 0.27 of a bale, and of corn 10.4 bushels per acre. In the "white" counties the average production of cotton per acre was 0.34 of a bale and of corn 11.4 bushels per acre. In the Black Belt the cotton acreage in 1910 was 51,840 acres greater and the corn acreage 140,611 acres less than in 1900; in the white counties the acreage under cotton increased by 203,880 acres and that under corn decreased by 102,39 acres in the same period. Where the negroes are in the majority, that is to say, 88,774 acres were abandoned during these ten years, while in the white counties an additional area of 101,286 acres was brought under cultivation. The disparity in efficiency however is greater than is shown by these figures, since it is an acknowledged fact that the soils of the Black Belt are naturally more fertile and better adapted to the growing of staples than the soils of other regions in Alabama.

In the matter of improvements and stock which add to the capital value of the farms the difference is more striking. In the Black Belt, between 1900 and 1910, land and buildings increased in value 88 per cent., and implements and machinery increased 69 per cent., while in the selected white counties the corresponding increases were 150 and 113 per cent.

The movement of the rural population is another useful index of the condition of agriculture which also serves to show how unsatisfactory is the situation in the negro counties. Between 1900 and 1910 the rural population of the Black Belt (if we exclude four border counties) decreased 37.1 per cent., while the rural population of the white group increased 21.1 per cent.

The remedies suggested are all of proved utility, — better educational facilities, definite instruction in agriculture, improved roads, co-operation. These we know are all capable of contributing their quota to the solution of the problem of the inefficient negro farmer, but as Prof. Allen points out they fail to touch the very crux of the problem, which is the question of the negro as cash tenant free from the landlord's supervision. The negro who is left for a year in undisturbed possession of a piece of land which he can cultivate as seems best to himself is the worst of all farmers. Either general conditions of life in the Black Belt must be so improved

is to attracts white farmers there, or the negroes must be content for at least some time to come to work under the direction and supervision of efficient white farmers. Even so it is imperative that the negro farmer should receive definite practical instruction in farming so that under the guidance of the white farmer he may gradually be raised to a higher level of efficiency. As things are the white farmer who undertakes the supervision of ten or twelve negro share-tenants finds that his own standard of efficient work tends constantly to sink towards their lower standard. Unless his efforts to produce efficiently with negro labour are supported by a broad scheme of instruction and education for the negroes themselves, he will be able to effect very little. The dead weight of ignorance and indifference will be too much for him to raise: in time it will even drag him down.

NEGROES IN THE UNITED STATES. Bureau of the Census. Bulletin 120. Washington: Government Printing Office. pp. 207.

In this volume are gathered together the principal and most recent statistics relating to the negro population of the United States, derived from the Thirteenth Census and from other statistical inquiries carried out by the Bureau of the Census. A similar volume was issued in 1904 containing the data collected at the Twelfth Census taken in 1900.

The information in the present monograph relates to (1) Population, (2) Agriculture, (3) Mortality, and (4) Religious Bodies. The material relating to agriculture is in large part published here for the first time and will be of special interest to our readers, who may recall an article in the *Bulletin* of June, 1914, on the "Social and Economic Progress of the Negro Farmers."

In 1910 there were in the United States 893,370 negro farmers, forming 4 per cent. of the total number of farmers. This proportion is considerably higher than the proportion of the negro population to the total population, which is 10.7 per cent. The number of negro farmers increased 19.6 per cent. between 1900 and 1910, while the number of white farmers increased 15 per cent.

The average acreage per farm worked by negroes in 1910 was 47.3 acres as against 153 acres for farms worked by whites, while the average value per farm was for negroes \$1,280 and for whites \$7,299.

Seventy-five per cent of the negro farmers were tenants and twenty-five per cent. owners. Among white farmers 68 per cent. were owners, 30 per cent. were tenants, and the small remaining proportion were managers.

In 1910 no less than 98.6 per cent. of all negro farmers were to be found in the South. In number of negro farmers Mississippi stands first, followed in order by Georgia, Alabama, South Carolina, Texas, North Carolina and the other ten Southern states. During the decade 1900-1910 Georgia advanced from fourth to second place. North Carolina, Arkansas and

Oklahoma also advanced in order of importance, while Alabama, South Carolina, Louisiana, and Kentucky declined.

The Director of the Census states that this volume is to be followed by "a more complete and comprehensive report on the same subject." The *Bulletin* itself reaches respectable dimensions, containing as it does more than two hundred folio pages, so that the fuller report will have interest only for the small number of persons who are making a special study of the negro problem in America.

It is interesting to learn that the statistical tables in this bulletin are the work of three negro employees of the Bureau of the Census.

#### GREAT BRITAIN AND IRELAND.

THE YEAR BOOK OF SOCIAL PROGRESS FOR 1914-15. London, 1915. Thomas Nelson and Sons. pp. 636 p.

"In spite of the general concentration of interest on the momentous events which are now taking place on and across the seas," writes the editor of "The Year-Book of Social Progress" in a Prefatory Note, "the publishers have decided to bring out this Year-Book as usual. Two considerations may be mentioned as having helped them to this decision. Firstly, the period ending August 4, 1914, is one of great importance to the social reformer, and one of which some record must be kept even in the midst of war; and secondly the after-effects of the present struggle will make social progress a more vital and pressing matter than ever when the days of peace come again. For that time we must be prepared and although the social progress of the future will inevitably follow lines somewhat different from those of the past, its continuity will not be broken."

Admirably the Editor has carried out his task and the Year-Book is an extremely valuable compendium of information upon all social questions in the United Kingdom. A chapter of 59 pages is devoted to "The Land Question," and contains not only facts and figures relating to the land and to the results of land legislation, but a summary of the many remedies which have been proposed for the admitted evils of the existing land system. These proposals we have already outlined in the *Bulletin of Economic and Social Intelligence* (1), but it is worth while quoting the statement of the evils, as they present themselves to the view of a social reformer. "Of the three classes in the agricultural community, each has his own grievance. The landlord says that he gets a poor return on his capital and that, consequently, he is frequently unable to keep his estate in a proper condition. The farmer in turn, finds labour becoming scarcer, foreign competition fiercer, and ejection more likely, as estates are being sold with increasing frequency.

(1) Issues of June 1914 and September 1915, and the present issue

hile he has, as ever, to face the possibility of a bad harvest and unfavourable weather, with their attendant loss of capital. These grievances are serious enough to the individual and we do not wish to minimise them, but they are not, as the grievances of the agricultural labourer undoubtedly are, serious to the nation at large. The landowner and farmer have at least good houses and ample food, and their children have enough food and clothing to make and keep them strong and healthy, even if rents and profits are not what they should be; but we certainly cannot say this about the agricultural labourer and those dependent upon him. Moreover, it is possible to argue that low rents, foreign competition and a scarcity of agricultural labour are beneficial to other sections of the community, but no one has the hardihood to assert that the insufficient diet, the bad housing, and the scanty clothing of a large part of the dwellers in the country districts are of the slightest benefit to any one. The land question in the country, then, centres around the condition of the agricultural labourer."

Closely connected with the Land Question are those of Housing and Means of Communication which are dealt with in another chapter. "A thickly-populated country," says the Year-Book, "wants many houses for its people and there is an intimate connection between house and land. Land of some sort is indispensable, but a civilized country wants, or ought to want, more than this. The land on which the houses stand should fulfil two great conditions. Its situation should be good in itself and good in relation to the occupations of its inhabitants. It should be sufficient, both in quality and quantity, to give those who live upon it a good and ample supply of light and air, and its soil should be dry and in general suitable for building purposes; and it should be so situated that its inhabitants can get to and from their work without undue fatigue or undue loss of time. This last consideration brings in the question of means of communication. A cheap, frequent, and rapid system of transport is necessary to stimulate the agricultural industry and to enable the people to live amid healthy surroundings."

Many other questions connected with agricultural economy are dealt with in the Year-Book. In the chapter on Production and Wealth, a long section is given to Agriculture, and the efforts, governmental and private, which have been made to increase agricultural production are described. The wages of agricultural labour are dealt with in the chapter on the Land Question, but in that entitled "Labour and Wages" there is a section relating to Agricultural Co-operation. Other subjects treated at length are Old Age Pensions and the Working of the National Insurance Acts, both of which have an important bearing upon the economic condition of the agricultural labourer.

NOTICES RELATING TO AGRICULTURAL ECONOMY IN GENERAL

HOW CAN WOMEN HELP TO PROMOTE RURAL INTERESTS THROUGH THE CO-OPERATIVE MOVEMENT. Correspondence published in "Co-operation in Agriculture," London, July-August, 1915.

WOMEN'S PART IN COUNTRY LIFE. Leading article in "Co-operation in Agriculture," London, July-August, 1915.

The writers of the interesting series of letters published in the July-August number of "Co-operation in Agriculture" have by no means confined themselves to the restricted subject proposed to them and the title of the leading article on the correspondence gives a juster idea of the problem dealt with.

As treated in the letters the problem has two distinct aspects—"What can be done to improve the position of country-women?" and "What can women do to promote the general welfare of the country districts?"

The former of these questions is one which has arisen in many countries but more especially in the newer countries, such as the United States and Canada, where the rural districts are still thinly populated. Even in the older countries, where the rural population is more dense and there is generally easy access to some neighbouring town, the position of women in country districts calls for special consideration. The "dulness of country life" is proverbial and the problem really resolves itself into the question "How can greater opportunities of social intercourse, of recreation and of self-improvement be brought within the reach of country women?" It is interesting to note that the most definite suggestion put forward is the organisation of a system of "women's institutes" similar to that which has proved so successful in Canada.

Perhaps if one aspect of the problem could be solved, the solution of the other aspect would follow, and one writer shows clearly that she regards the question as a moral, rather than an economic one. "Each woman must learn she has something to give; the best rose grower can make her village famous for roses, the noted bread maker can teach her art to her less gifted sister, the woman to whom books mean an escape from the drudgery of life must help others to the enchanted region, so that a solitary pride of individual possession will give way to the delight of imparting knowledge that will help others to enjoy good achievements."

From the economic point of view the principal suggestions put forward are that women should take a larger direct part in the cultivation of the land and that they should develop more largely those minor industries of the farm — poultry-keeping, fruit and vegetable growing, bee-keeping, etc. — which have always been to a great extent in their hands. This would enable them to take a more influential position than they at present occupy in any undertaking (such, for example, as agricultural co-operative societies) which aim at the economic betterment of the rural districts.

In so far as co-operation is concerned one writer remarks that the English farmer's wife is seldom really interested in helping to dispose of the farm produce; she seems to leave that entirely to her husband. Another,

following out the same idea, urges that co-operation in country districts should be extended to the supply of food stuffs, and adds: " Make it clear to the women that in some line of work undertaken in conjunction with their neighbours, it may be possible for them to give the means to promote the welfare of their children, to give the latter a better start in life and a prospect of greater ease than they themselves enjoyed and they will not be slower, but probably quicker than the men to find courage and resolution for the experiment." The activity of the Women's Co-operative Guilds in the towns is noted by yet another writer as worthy of imitation in the country, " but ", she says " they centre round the co-operative shop, and unless the latter can first be started, there does not seem to be any way of setting a branch of the Guild on foot."

## GREECE.

PAPAGEORGHION (PELEUS), Director of the Royal Agricultural Society of Greece: AGRICULTURAL GREECE. Athens, 1915. The " Hestia " Printing Office. 8<sup>o</sup>, 92 pp. 5 maps.

This brochure, written in English under the directions of the Committee of the Greek Section of the Panama Pacific International Exhibition, which was held this year at San Francisco, contains a comprehensive outline of Greek agriculture, both from the technical and from the economic point of view.

In Greece, we are told, both small and large holdings are to be found, but the prevailing system is that of small holdings. Typical districts where the cultivation is carried on by small proprietors are the Peloponnesos (Morea) and the Islands of the Aegean and Ionian Seas. Large holdings exist in Thessaly and Macedonia, and are cultivated in a few cases by the owners. More generally, however, they are managed on the métayer system or leased to farmers.

The author, who inclines to the view that both large and small holdings are indispensable to the agricultural economy of the country, remarks that large proprietorship has contributed greatly to agricultural development in Greece, since only large landowners have sufficient capital to introduce modern implements and new methods of cultivation. He notes, however, the growing tendency of the small holders to combine, and the encouragement given to them by recent legislation to form agricultural co-operative societies.

Old as the country is, Greece has yet its problem of colonisation, since it endeavours to provide land for many Greek refugees from neighbouring countries. In Thessaly, in particular, which was only thinly populated, many families have received an adequate portion of land, a cottage, a pair of oxen, ploughs, seed, etc., the payment for which will be spread over a period of years.

RUGGERI ALFREDO, gerente responsabile.



